**EUROPE'S BUSINESS NEWSPAPER** 

Hidden persuaders behind Opec compromise, Page 3

No. 30,001

Friday August 8 1986

D 8523 B

## Dicism World news Irish hold

### P fall Ulster MP after incursion

A leading Northern Ireland politi-cian was arrested after several hundred Protestants, many wearing masks and paramilitary uniforms, attacked a police station just inside the Irish Republic.

Peter Robinson, a British MP and deputy leader of Ian Paisley's Democratic Unionist Party, was detained under Ireland's anti-terrorism law. Two Irish policemen were knocked to the ground and beaten

London and Dublin condemned the cross-border incursion, apparently intended to demonstrate the weakness of security along the frontier, as a stunt which diverted police from anti-terrorist activity. Page 10: Editorial comment, Page 8

### Iragi air raids

Iraq said its jets bombed an oil ref-inery and two thermal power sta-tions at Isfahan, central Iran, and the main oil export terminal on Kharg island. The raids followed Iranian shelling of the border town of Halabja in which Baghdad said 74 civilians were killed. Page 3

In Alexandria, Jordan's King Hussein and Egyptian President Hosni Mubarak urged Arab states to back Iraqi President Saddam Hussein's call for an end to the Gulf

### Basque clashes

Dozens of people were injured in Vitoria, northern Spain, in street battles between police and demonstrators protesting against France's expulsion of suspected Basque guerrillas. Spanish intelligence ex-perts meanwhile dismissed as a forgery a letter purporting to come from the separatist organisation Fta which threatened attacks against EEC citizens.

### Call for tax repeal

The French Government must repeal a tax on domestic oil and gas production if it wants to maintain the credibility of its economic policies, according to the chairman of Esso SAF, the Econ subsidiary.

### Libya to appeal

Libya will seek to overturn a court decision to freeze L7bn (\$4.9m) of Libyan government funds deposited in Italy and sequestrated at the request of two Italian companies for alleged non-payment of debts.

### Trade chief sacked The head of Moscow's internal

trade system has been sacked for failing to stamp out corruption. In Moldavia, a district judge and two police chiefs were sentenced to unspecified jail terms for taking bribes.

### **CIA** agent flees

A former CIA officer has fled to Moscow and been granted asylum, Tass newsagency reported.

### Indian train crash

At least 52 people were killed in a train collision near Dhanbad, northern India. Rescue workers battled heavy rains and flood waters to free at least 150 passengers trapped in at least 130 passengers trapped in the wreckage in a ravine. In nor-thern Bangladesh, monsoon floods killed 26 people and made at least 10,000 families homeless.

### Briefly . . .

\$220,000 the bail for former tycoon Jose Maria Ruiz Mateos, who is an waiting trial on accounting fraud charges. Venetian gondoliers should stick to

local songs and shun Neapolitan tunes like O Sole Mio and Funiculi Funicula, the city's tourism chief

Two Soviet high-wire performers defected to the US during a Moscow Circus tour of Argentina.

### ... CONTENTS -

## Business summary Shell net

ROYAL Durch/Shell released an unexpectedly strong set of second quarter figures, showing e modest 18 per cent decline in net income to £545m (\$801m) Page 10

income

falls to

£545m

BARCLAYS, UK banking group, announced pre-tax profits growing at a substantially slower pace than those of its three big rival commercial banks. At £434m (\$642m) in the year ending June 30, they were up 8 per cent on 1985. Page 10

DOLLAR closed in New York at DM 2.0715, SFr 1.6705, FFr 9.7255 and Y154.075. It fell in London to DM 2.0670 (DM 2.0815); SFr 1.6860 (SFr 1.5770); FFr 6.71 (FFr 6.7650), and Y153.75 (Y154.35). On Bank of England figures the dollar's index fell to 110.7 from 110.0 from 110.0 Page 21

STERLING closed in New York at \$1.470. It fell in London to \$1.4765 (\$1.4795); DM 3.0525 (DM 3.0800) FFr 9.9675 (FFr 10.0100); SFr 2.4800 (SFr 2.4800), and Y227.00 (Y228.25). The pound's exchange rate index fell 0.4 to 70.9. Page 21

GOLD rose \$1.5 to \$362.50 oo the London bullion market. It fell in Zurich to \$361.75 from \$362.55. In New York the December Comex settle-ment was \$369.30. Page 20

WALL STREET: The Dow Jones industrial average closed 9.75 up at 1.786.28. Page 28

TOKYO: Issues rose following strong demand for Nippon Tele-graph stock, The Nikkei average rose 68.88 at 17,422.36. Page 28

LONDON: Equities fell further on poor company results. The FT Ordinary share index lost 12.2 to 1,221.5, while the FT-SE 100 share index dropped 10.5 to 1,529.9. Gilts ended lower. Page 28

HONG KONG'S Hang Seng sheres index rose 32:35 to a record 1,920.18. - surpassing the 1,906.28 reached on Monday - in response to the US House of Representatives' defeat of protectionist trade measures. The rally was fuelled by hopes of a domestic interest rate cut. Page 28

SWEDEN has threatened Denmark that it will buy natural gas from Norway or the Soviet Union if Danish prices are not cut by 20 per cent.

NORWEGIAN current accoun plunged to NKr 9.5bn (\$1.1bn) deficit in first four months of this year against NKr 14bo surplus in Janua-

ry-April 1985. ARGENTINE prices jumped by 6.8 per cent in July, the largest rise since Buenos Aires launched a tough apti-inflation plan in June

1985. Page 4 POLAND warned that it might cut imports from the West if Western creditors failed to provide fresh loans at non-discriminatory interest

rates. Page 2 WESTDEUTSCHE Landesbank West Germany's largest public sec-tor bank, is reorganising its invest-ment banking and foreign trade financing operations as part of a

move to strengthen its business worldwide. Page 10 HALLIBURTON, Dallas-based oil services firm, suffered heavy writedowns of property, plant and inventories prompted by the continuing slump in the oil industry, driving it into a net loss of \$524.6m or \$4.94 a

share for the second quarter. Page 11 Spanish court cut from \$2.2m to BOC Group which raised taxable profits by £11.Im to £135.2m (\$200m) for the nine months to June, is to write off £128m against the assets of its US graphite electrodes business. Page 14; Lex,

> TI Group's share price fell 32p to 464p as the London stock market registered disappointment with a 44 per cent rise in the UK cycles and engineering concern's first-half profits: Page 14; Lex, Page 10

## South Africans say sanctions could widen debt freeze

BY BERNARD SIMON IN JOHANNESBURG

SOUTH AFRICAN Cabinet ministers and husinessmen are warning that far-reaching economic curbs including tighter import controls and further restrictions on foreign debt repayments, are likely to follow the looming imposition of sanctions against some of the country's

key exports.

Reflecting a new sense of urgency in South Africa since the Commonwealth decision earlier this week to ban imports of South African coal, steel and other products, Mr Barend du Plessis, the Finance Minister, said: "Should sanctions be implemented on any substantial scale, we shall obviously have to

He said that Pretoria would "be forced into introducing protective measures that will enable us to balance our trade account and overall balance of payments with the rest of the world.\* Mr du Plessis said that the low

level of foreign exchange reserves and the beavy burden of foreign debt repayments left little room for any large reduction in export earn-South Africa's current account surplus is expected to total \$2.5bn

this year, most of which is earmarked for debt repayments.

Chief Gatsha Buthelezi, leader of the Zulu-backed Inkatha movement, yesterday said that the state of emergency in South Africa might continue indefinitely. The failure of the National Party Government to recognise that blacks cannot be governed against their will has led to a situation in which a semblance of stability can be maintained only

because of sanctions will reduce the country's capacity to service its for-eign deht, and this will have to be taken into account in future negotiations with creditors for any fur-

under a state of emergency," Buthelezi told a Johannesburg

ther redemption of capital.\* Among the options available to the Government - and one being urged by some local economists - is a widening of foreign liabilities included in the debt repayment moratorium declared last September. About \$14hn of South Africa's \$24hn in foreign debt is included at pres-

South Africa and its 30 creditor hanks are due to meet in the first half of next year to review the economy and decide on the next steps in Mr du Plessis said that "any ero-sion of the current account surplus deht problems, An interim arrange-

ment agreed last March is due to run to mid-1987.

The debt standstill was imposed after foreign, mainly US, banks be-gan calling in their loans after the declaration of a state of emergency just over a year ago and intensifying pressures on banks to sever their ties with South Africa.

Mr Dawie de Villiers, the Trade and Industry Minister, hinted meanwhile that South Africa would conduct its foreign trade in greater secrecy by restricting publication of official trade figures.

"Information regarding our products, clients, volumes of exports and production and other details could very easily be used by our adversaries in the campaign against us. Mr de Villiers said.

Pretoria has for many years fudged foreign trade statistics to prevent monitoring of movements of sensitive items like oil and arms, and of trade with countries which

claim to boycott the republic. The prospect of an effective package of sanctions has triggered warnings from several quarters of inevitable hardship and of farreaching economic adjustment.

Mr John Wilson, president of the Federated Chamber of Industries Continued on Page 10

## Finland moves to defend currency with 40% rate

BY KEVIN DONE IN STOCKHOLM AND OLLI VIRTANEN IN HELSINKI

The central bank has raised the

call money rate, the overnight rate at which it lends to banks, in a seri-

mark for several weeks and configave way to speculation in May and nate this year.
devalued the currency by some 2 While a dev per cent in the wake of the 12 per cent devaluation by oeighbouring ties are concerned that it woold also

There is a great deal of prestige clauses in this year's national wage riding on the defence of the curren agreements, which would allow the cy for the Finnish authorities, unions to reopen pay negotiations,

growing tide of speculation against year, but its prospects now appear 11bn. far less certain. Earlier this week the Organisation for Economic Co-operation and

Development warned that for the es of dramatic leaps. From 10.8 per first time since 1978 Finnish ecocent a week ago, the rate was raised nomic growth in both 1986 and 1997 to 25 per cent on Tuesday and then could fall below the average level again yesterday to 40 per cent as currency continued to flow from the country.

for Western Europe.

With its all important trade with the Soviet Union undermined by

The foreign exchange markets falling oil prices and with declining have been uneasy about the Finn-shares in Western markets caused by still-high cost levels and a declindence in the Bank of Finland has ing competitive position, Finnish clearly been undermined since it exports are expected at best to stag-While a devaluation would stim-

ulete exports, the Finnish authorirefuel inflation and could trigger

THE BANK of Finland yesterday which have been trying hard to forcing a further increase in indus-

pushed short-term interest rates to a record level of 40 per cent in a crisis move aimed at staving off a looming devaluation.

The Finnish authorities heve been trying hard to break Finland out of its previous inflation-devaluation cycles.

The country bas enjoyed four years of unprecedented economic than half of Finland's foreign exchange reserves have drained stable level of some 3 per cent a growing tide of execulation against that the prospects of the provincing a number increase in industrial costs.

Since the end of December, more than half of Finland's foreign exchange reserves have drained away, falling from FM 22.4bn in December to a current level below FM

In a bid to restore confidence in the currency, the Bank of Finland announced a package of measures late last week aimed at "maintaining the external value of the Finnisb markka unchanged and ensuring a sufficient level of foreign exchange reserves." The central bank was given unrestricted powers to raise the call money rate to whatever level was required to achieve

The central bank said that the call money rate would rise "very quickly" whenever reserves fell and decline whenever they grew.

these goals.

The new policy appears to have backfired, bowever, as sceptical foreign exchange markets have moved heavily to test the authorities' determination to defend the currency.

Continued on Page 10

BY TIM DICKSON IN BRUSSELS AND NICK GARNETT IN LONDON THE EUROPEAN Commission is to terday on NSK.

five Japanese companies. The duties, which are likely to be confirmed by EEC member states if

the companies concerned do not take voluntary action over prices in the next four months, range from 17.99 per cent imposed on Nippon

plaint early last year by European producers - which include SFK of Sweden, the world's largest - that the Japanese were not adhering to price undertakings given in 1979. The Commission subsequently discovered dumping margins ranging

Dumping duties were eventually imposed three years ago but the Japanese successfully appealed against the ruling through the European courts and the duties were ly viewed as being particularly predatory. A further ettempt was made to

Roller bearings are used in a European makers were also able

predatory. The commission said yesterday

impose duties but again the Commission accepted undertakings that in some cases selling their products the Japanese, who have a number in Europe at a price below Europe manufacturing operations in Europe at a price below European manufacturing costs and in all rope, would eliminete dumping cases below what might be consid-

the profits of other activities.

### EEC curb on Japanese bearings

impose provisional anti-dumping duties on roller bearings made by

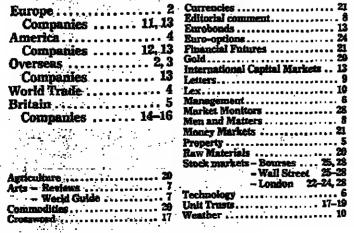
Seiko KK (NSK) down to 1.13 to 4.58 per cent nn bearings made by Asahi Seiko. The other three companies are Nippon Pillow Block, Showa Pillow Block and NTN Toyo. The EEC action follows a com-

up to the highest duty imposed yes-

terday on NSK.

European producers bave been trying to bave anti-dumping duties imposed on Jepanese made "rolling following year before climbing to element bearings" since the mid the first five months of 1985 imports

wide range of applications from to show that in most cases Japa-steel mills to car wheels and the nese companies were financing hardware on which buildozer tracks their roller bearing operations from



Management 8
Market Monitors 28
Men and Matters 8 Money Markets ..... 21 Property 5
Raw Materials 20
Stock markets - Bourses 25-28
- Wall Street 25-28
- London 22-24, 28

Greece: mixed yields from Wheat: a new complication

Opec: hidden persuaders Israel: uneasy partners in behind compromise ...... 3 tight embrace .......... 9

returns on research..... 6 bank; TI ......................... 10

Indonesia: trouble after the Editorial comment: Italy; boom years ...... 2 Irish politics ...... 8

economic measures ...... 2 for US market ...... 8

US: the cost of Star Wars Sanctions: an open letter to

options ...... 4 Mrs Thatcher ...... 9 Technology: measuring the Lex: Shell; BOC; Barclays

# ORDINARY SHARE

### London shares fall again

By George Graham in London SHARE prices suffered further losses in Londoo yesterday, in the wake of Wednesday's sharp slide,

but a revival as the session pro-gressed helped stock market in-dices to make up nearly half the ground they had lost in the morn-Profits from TI Group, the engineering company, and Barclays Bank, were worse than analysts had expected, shaking the confi-

dence of investors whn were al-ready unsettled by the gloomy prognosis issued the previous day by Guest, Keen & Nettlefolds, another engineering concern. Many stockbrokers, however, viewed the poor results as isolated instances and were cautious about inferring any hroader collapse in company profits. For the most part, analysts are sticking to their earlier

forecasts that gross profits of non-oil industrial and commercial com-panies will grow by 14 to 17 per cent this year. Results from other leading companies such as Shell Transport and Trading, the Oil company, and BOC Group, the gases and carbon pro-ducer, were better received in the stock market, which benefited also from a rise in share prices in New

The FT Ordinary index, which at one stage had falleo 22.8, recovered to close at 1,221.2, a loss of 12.2 on the day. The broader FT-SE 100 index ended 10.5 lower at 1,529.9, af-ter dipping as low as 1,519.2. Mr Roy Hattersley, deputy leader of the opposition Labour Party, said

the stock market's falls in the last two days were clear evidence of a persistent decline in confidence resulting from the Government's management of the economy.

the foreign exchange markets yes-terday, losing 2% pfg to close in London at DM 3.0525, 1% pfg below Monday's low point. It fell slightly to \$1.4765 against a weaker dollar, which itself lost nearly 1½ pfg against the D-Mark to close in London at DM 2.0670 Gold, however, rose to its highest

London level for more than two a clearing arrangement with Van-years, closing at \$362½ per troy couver and a trading link with To-ounce.

a clearing arrangement with Van-tive clearing corporations when a transaction has been completed.

## SEC pact with Swiss catches BY TERRY DODSWORTH IN NEW YORK

THE CAMPAIGN against insider lowed the commission to avoid the

trading by foreign investors in the "tortuous" proceedings it had been US securities markets claimed anfaced with previously in dealing other victory yesterday with the with Swiss investors involved in in successful prosecution of an alleged dealing ring in which one of the de-fendants ran an account through Union Bank of Switzerland.

The settlement in a case involv-ing alleged illegal trading in RCA shares last December marks an important breakthrough for the Securities and Exchange Commission (SEC), the watchdog for the US securities industry. For the first time in a civil case, the SEC was able to put to effective use a four-year-old memorandum of understanding with Switzerland on US securities law violations.

The memorandum allowed the SEC to expedite its action against one of the defendants, Mr Elie Mordo, described as "living overseas" in the SEC documentation. Under the agreement announced by the SEC yesterday, Mr Mordo is to pay back SIm in profits alleged to have been made in trading in RCA stock last December before the announcement of the agreed takeover by General Electric.

Mr John Sture, associate director at the SEC in Washington, said that

insider traders

sider trading suits. In addition, the SEC had been able to persuade the Swiss authorities to freeze the alleged profits on the RCA deals while the investigation continued without recourse to a

The most successful previous SEC international insider trading action involved e group of Middle Eastern investors who agreed to give up \$7.8m in alleged illegal trading profits made from the takeover of Santa Fe by the government-owned Kuwait Petroleum in 1981.

According to the SEC. Mr Mordo was part of a group of four individuals who made profits of more than \$2m from dealing in RCA stock and options contracts two days before the takeover deal with GE was an-

nounced on December 11. The SEC charges that all four were connected with Mr Marcel Katz, a former stock analyst at Lazard Freres, nne of the leading New York investment banks, and the principal adviser to RCA on the acquisition proposal.

Continued on Page 10

### London, Midwest SE plan electronic link

THE Chicago-based Midwest stock

alisation of equity markets, will represent a further move hy established stock exchanges to cut trans- and that of the eutomated

The pound resumed its slide in | change's clearing corporation, the second largest of four US securities clearing bodies, with the London of the London talks: I believe we exchange's Talisman system. It will are about four to six months ahead eventually apply to securities of New York in establishing a link. whether or not they may currently We are offering the choice of be traded in the US.

We are offering the choice of whether to access through Chicago

been active in pursuing internatioo- the service here will be better." al links. The Midwest exchange has

The London exchange has estabexchange and the London stock ex- lished a clearing link with Australia change are due to announce oext, and is discussing similar arrange-week an electronic link between ments in Japan, as well as with the their clearing and settlement systems.

The agreement, underlining the current trend towards internation—that is a settlement systems.

Midwest's larger rival, the National Securities Clearing Corporation, which handles New York stock exchange trades.

It has also launched e link between its screen quotation system action costs and increase the effi-market operated by the US Nationciency of their systems in order to al Association of Securities Dealers, encourage cross-border trading and plans a trading link for currentrough exchanges.

It will link the Chicago exStock Exchange.

Mr Albert Anderson, head of the Midwest clearing corporation, said whether to access through Chicago Both exchanges have already or New York. We like to think that

UK and US brokers wishing to





London: Minerva House, Montague Close, London SE1 9DH. Tel: 01-378 2121 Telex: 8812741-4 ANZBKA G AUSTRALIA ● BAHAMAS ● BAHRAIN ● BANGLADESH ● BRAZIL ● CANADA ● CAYMAN ISLANDS • PEOPLE'S REPUBLIC OF CHINA • FILI • FRANCE • GERMANY • GHANA • GREECE • GUERNSEY • IIDNG KONG • INDIA • INDONESIA • IRAN • IAPAN • IERSEY • IDRDAN • KENYA • REPUBLIC DF KOREA • MALAYSIA • MONACD • NEW ZEALAND NIGERIA OMAN PAKISTAN PAPUA NEW GUINEA QATAR SINGAPORE SOLOMON ISLANDS SPAIN SRI LANKA SWITZERLAND TAIWAN THAILAND UGANDA ● UNITED ARAB EMIRATES ● UNITED KINGDOM ● UNITED STATES DE AMERICA ● VANUATU ● ZAIRE ● ZAMBIA ● ZIMBABWE

The Australia and New Zealand 150 years experience in financing trade, aking Group, which now includes and a widely recognised reputation in indlays Bank has over 1,000 the London financial and foreign exchange Banking Group, which now includes Grindlays Bank has over 1,000 branches and offices in 40 countries.

With an asset base of over USS35 billion, ANZ is well placed to help your company with its domestic and international financial requirements. Both ANZ and Grindlays have over clock.

markets.

Talk to ANZ whether your requirements are at home or halfway round the world.

Whatever the answer you'll find were open for business around the

The new force in International Banking

1.1.1.1.1  $f\in C^{1,2}$ RW

### Swedes ask Denmark to cut gas price

By Sara Webb in Stockholm SWEDEN HAS threatened to buy gss from either Norway or the Soviet Union instead of from Denmark if Dsngas, tha Danish ges distributor, does not lower the price of the natural gas it supplies to southern Sweden by 20 per cent.
Mrs Birgitta Dahl, the Energy

Minister, outlined Sweden's position in e letter to her Denish counterpert. Mr Svend Erik Hovmand, esrliar this

the managing director of Swede-gas, which distributes natural gas in Malmo and the surrounding area end which is a sub-sidiary of the state power board, sibility of buying gas from the Norwegian company Statoil. The ges is used in the Sydgas

1 project, supplying 400m cubic metres to Msimo ond the surrounding aree in southern

A second project, Sydgas 2, is to supply 100m cubic metres to supply 100m cubic metres along the west coast and is still under construction. A third project, Vaestgas, is plonned to supply the Gothenburg area with 200m cubic metres by the spring of 1988.

The issue bas assumed greater significance since Sweden's decision to close its nucleer reectors by the year 2010. Natural gas provides only ebout 1 per cent of the country's energy at the moment but is one of the most important energy alternetives.

when the contract was signed in 1980, the price of natural gas was fixed, but since then, oil prices have dropped and Swedeges estimates it es paying about 20 per cent above the current market price.

Sydgas 1 stands to meke s financial loss and the Vaestgas project mey be delayed if Dengss snd the Danish ges company, Daosk Undergrunds Consortium, do not agree to lower the price.

### Oil losses hit Norway hard

Norway, bard hit by low oll prices, was NKr 8.5bn (£787m) in deficit on its current account in the first four months of the year, the Central Bureau df Statistics said yesterdsy, Reuter reports from Oslo. Itbsd surplus of NKr 14bn over the same

period last yesr.
Oil revenues in the first four months fell 34.8 per cent to NKr 19.7bn from the 900,000 barels of oil Norway pumps from its North Sea fields.

### French oil industry warns on production tax | SPD author

domestic oil and gas production in its 1987 budget, according to Mr Claude Roux, chalrmen of Esso SAF, the French sub-sidiary of the US Exxon group,

The special tax was intro-duced as a temporary meesure by the former Socialist Governby the former Socialist Government to help finance the budget two years ago. Despite the decline in oil prices over the past two years and the election of a right-wing administration, the tox has so far not been ebolished as oil companies operating in France had expected.

economic policies risks being with its large but declining field with its large but declining field the tax is calculated on the seriously undermined if it keeps a controversial tax on demestic oil and gas production producer, while Easo has tradi
grant The tax is calculated on the mass of 12 per cent of an oil company's upstream operating producer, while Easo has tradi
grant The tax is calculated on the mass of 12 per cent of an oil company's upstream operating producer, while Easo has tradiproducer, while Easo has traditionally heen France's single
lsrgest crude oil producer
accounting for half of annual
oil production. Esso lest year
produced 1.3m barrels of crude
from its fields in the Poris
hasin and the south-west out of
a total French production of
26m tongs.

2.6m tonnes. Mr Roux. Esso's chairmsn in Fronce, said the company had said thet the oil production tax expected the new government gives France "a very bad to repeal the special tax this year. The subsidiary of the US Until recently, Esso's uppoil saint will now about the special tax the special tax this product of the subsidiary of the US Until recently, Esso's uppoil saint will now about the special tax the special tax this product of the subsidiary of the US Until recently, Esso's uppoint the subsidiary of the US Until recently.

Echoing widespread if lcss forceful complaints from other oil groups in France, Mr Roux

THE CREDIBILITY of the are the two which have are expected to barely break of downstreem operations in French Gavernment's liberal suffered most from the tax. Elf even.

past year, Esso, like other past year. even. past year, Esso, like other
The tax is calculated on tha French based oil companies, has scen the conomic performance company's upstream operating of downstream operations im-profits in France the year prove while upstream oil pro-

represent an additional and un-neressary burden for Elf at a time when the large stete-oil group is due to be privatised. Mr Roux werned that the tax was also discouraging oil comthe tox has so far not been ebolished as oil companies operating in France had expected.

Elf Aquitaine, the state-controlled oil group, and Esso to repeal the special tax this image. The subsidiary of the US Until recently, Esso's uppanies from investing in production and axploration in France had expected.

Elf Aquitaine, the state-controlled oil group, and Esso to repeal the special tax this image. The subsidiary of the US Until recently, Esso's uppanies from investing in production and axploration in France. Esso itself has reduced its Frence exploration budget this year from FFr 1.2bm last on the panies from investing in production and axploration in France. Esso itself has reduced its Frence exploration budget this year from FFr 1.2bm last on the panies from investing in production and axploration in France as a result of thia tax on its tic refining and merketing. The subsidiary of the US Until recently, Esso's uppanies from investing in production and axploration in France as a result of thia tax on its tic refining and merketing. The subsidiary of the US Until recently, Esso's uppanies from investing in production and axploration in France as a result of thia tax on its tic refining and merketing. The subsidiary of the US Until recently, Esso's uppanies from investing in production and axploration in France as a result of thia tax on its tic refining and merketing. The subsidiary of the US Until recently, Esso's uppanies from investing in production and axploration in France as a result of thia tax on its tic refining and merketing.

### **Europe rides slump in computer business**

BY DAVID THOMAS

THE TOP 25 date processing companies in the European market bad combined revenues of \$34.5bn (£22.3bn) last year. 21 per cent up on the previous year, according to a survey by Datamation megszine. The survey, which covers computer hardware, software and data communications equipment, shows also that those com-panies occounted for 86 per cent of the total Europesn computer business in 1985.

"The European deta processing market, which has always experienced more modest but sleadier growth than the US, suffered much less in 1985 from the so-called slump in the com-puter business," says Dota-mation. One aector which was particularly buoyant was soft-ware and services, up 22 per cent overall on the previous

Italian call for

referendums

	7	OP TEN DATA PROCES	SING COMPANIES	IN EUROP	E
Rank 1985 1984				1985 European sales	
			Headquaters	(\$m)	% сне
1	1	International Business Machines	US W. Germany	\$13,440.2 2,775.2	
2	7	Siemens	US	2,179.1	34.
3	4	Digital Equipment	Italy	1,862.8	
	3	Olivetti	France	1,668.8	15.4
4 5	5	Buil	W. Germany	1,192.5	16.
6	8	Ntxdorf	US	1,124.4	t9.0
7	9	Burroughs	Sweden	1,097.1	8.3
8	6	L. M. Ericsson	Netherlands	1,078.2	28.4

Of the 13 European-based compenies, there are four each from West Germany and the from West Germany and the UK, two from France, and one each from Sweden. Italy and the Netherlends. Brilain had only one in the top 10; STC. parent of ICL, the largest Britishowned computer company. The other three UK companies in the top 25 were British Telecom, a new entrant in the list, Plessey, and Atlantic Com-puters, also a new entrant. The bigegst incresses in dollar

sales were recorded by Attactic Computers (up 87 per cent), Prime Computer of the US (37 year. Package software soared to the survey. But their combined sales, influenced by the West Germany spent most on data processing followed by the UK, France and Italy.

Twelve of the top 25 companies are US-based, according

## Poland may have to trim imports

TTALY COULD fece several referendums next spring on nuclear energy. The first would seek to block financial incentives to local authorities to essential imports from the West further unless Western creditors provided fresb loans et nondiscriminetory interest rates, according to Mr Zbianiew Karcz, the country's chief debt nagotiaaccept nuclear power stations, a second would deprive the central government of its power

central government of its power to site stetions against the objections of local authorities; and a third would prevent Italy's electricity corporation, Enel, from participating in International nucleer projects.

The call for the referendums, backed by more than 200 000 backed by more than 900,000 signatures, is being demanded by the Radical Party and the left-wing Protetarian DemoPOLAND MAY heve to reduce

He was speaking following the departure of on IMF delegation which conducted the Fund's first review of Poland's economic situation since it was accepted for membership in Msy. The Government could obtain some \$2bn in loans over the next few years from the IMF, and from the World Bank which it expects to join, but these are unlikely to slart until the end of the year.

Mr Karcz pointed out that get and insufficient to cover Polend was heving to pey in cash for more than 90 per cent of its imports. "Find me another country in this situation?" be asked. He called on Polend's government and hard to country's commercial bank, the country's commercial bank, the country's commercial bank, Poland's government and bank to place new orders in the West creditors in the West—who are until all old ones bave been now owed \$31,3bn—to treat it paid.
"similarly" to Mexico and Mr Karcz said either Westero

The alternative, he said, was an even slower recovery of the economy from the crisis of the early 1980s and the goveroment's inability to pay more of its rescheduled debt.

governments and banks co-operated with Poland on "nor-mal financial conditions" with-

out politics, or there would be further delays in restructuring the country's industry and foreign trade. Instead of being By the end of June, Poland's sald, Poland was now being hard currency trade surplus was only \$430m, well below tsr-

### EEC officials slither on Europe's butter mountain

tude in presenting its often con-troversial policies to the public, critics bere say, Reuter reports from

The notorious mountain bas risen to an all-time high of 1.3m tonnes. Skimmed milk stocks have also hit peaks. Senior officials say this is all because the Community produces 15m tonnes a year more milk than

it can consume or export. Faced with the seemingly hopend, officials have unveiled schemes costing millions of dollars diplomat said.

THE European Community's growing butter mountain is becoming skimmed milk powder to pigs and something of a symbol of its ineptisomething of a symbol of its inepti-

just to end up where it came from," stocks. one Brussels official said, referring to the price supports beld largely responsible for over-production. Virtually simultaneously, the

animals better than people. The Community "has a remartions outfit wringing its hands," one

These were greeted with predic-table mirth. It bas cost a fortune spectively, despite record domestic

Few dispute the need to bonour commitments made to that country as compensation for lost markets Community dropped a scheme to ofwhen Britain, formerly its best cus-1973. But the issue could have been less, inviting jibes that it treated handled with greater tact.

In the cootext of the Communiless task of trying to balance rising kable gift for mistiming which ty's surplus, "76,000 tonnes is not dairy produce stocks with falling would leave any decent public relavery much," one official said, acknowledging that the deal did give the impression of a chronically output.

"Just try explaining that to an Italian farm co-operative," said one official, charged with explaining Community policy to consumer

Brussels-based farm experts say gaffes of presentation have cost the Community goodwill while it should have been recruiting support for solutions to its problems.

wanted butter was flooding into community warehouses as the

The Community's dairy sector is facing its worst-ever crisis only two years after ministers braved the wrath of Europe's farmers and agreed measures designed to limit

quotas with a "super-levy" tax on surplus production, skimmed milk supplies and the butter mountain are at all-time peaks. The cost of the dairy sector oow

Despite the introduction of milk

wallows about 20 per cent of the Community's entire budget of about \$35bn. Last month, twice as much un-

community warehouses as the group's embattled market managers managed to offload at greatly reduced prices.

It costs almost as much to dispose of the butter as it did to produce it, one official said.

prices was not predicted in October.

extensive underground economy the fact that under half of

Greek workers are salaried (and thus susceptible to the up to 7

per cent declina in reol wages expected to result from the

expected to result from the tighl incomes policy) and the evident decline in private savings which increased by only 1.9 per cent. in the first four months of the year against 6 per cent in the same period last yeor.

Analysts invoke a host of

### throws the book at Rau

By Rupert Cernwell in Bonn

THE HOPES of West Germany's opposition Social Democrats (SPD) for a smooth start to the Bundestag smooth start to the Bundestag
election campaign this
autumn have been dealt a
blow by a book from a former
prominent SPD politician
which is strongly critical of
Mr Johannes Rau, the party's
candidate for Chancellor next

January.

The latest discomfort of the The latest discomfort of the party, whose hopes of defeating the ruling centre-right coalition of Mr Helmut Kohl already look slim, lies not only in the content hut also in the timing of the book. It will be published at the end of August—just as the SPD holds a key congress in Nuremberg which will launch its manifesto

Despite Cucouraging show-

Despite cucouraging show-ings in state and local elec-tions over the past 18 months, the SPD has failed to convey the impression that it can win when it counts in less than six months' time—at least without the possibly self-defeating support of the radiesl left-wing Greens.

Still devoid of a convincing electoral platform, and legislations.

electoral platform, and in internal disarray over both defence and economic policy, its best chance has bitherto seamed to lie in the personal qualities of Mr Ran himself. But it is precisely these about which the book is less

than impressed. Its anthor is Mr Klaus Boelling, once the chief spokesman of the last SPD Chancellor, Mr Helmut Schmidt, and subsequently West Germany's "permanent representative"—in effect ambassador—in East Berlin. The book is called "Bonn observed from 1bc ontside." and one of its observations is that Mr Rau, for all his wirtues, is simply not the right man for the task

According to Mr Boelling, the abilities of Mr Rau to be seen at their best on a smaller stage-be lt family, party, or even the state of North Rhine-Westphalia, of which be is presently prime minister. But his yearning to create "harmony and consensus" could be fatel in a major decision-making

centre. "I can't imagine him as a political leader in Bonn. There he would only agonise There he would only agonise and feel alone," writes the outhor, who mentions Mr. Schmidt's letter last year to Mr. Rau, urging him not to run for Chancellor. "It is logically almost inescapable," writes Mr Boelling, "that Mr. Rau, would fail in Bonn."

The public reaction of the SPD yesterday was, as might SPD yesterday was, as might be expected, one of weary dismissiveness. A party spokesman said be felt "a little sorrow and a little commiseration" that the book expressed such sentiments, and implied that it was the work of an embittered and

frustrated man.
But Mr Boclling's remarks
cannot fail to have touched a raw nerve within the SFD. His misgivings about the candidate are privately shared by many, and Mr Ran himself was known to have bad severe doubts abint accepting his party's call to the colours. Not surprisingly, tha ruling Christian
Democrats have hailed the
entire episode as proof that
Mr Ran no longer has a hope

### Indonesia faces trouble after the boom years

gress made over the past decade of dynamic growth.

A pull-ont of foreign investment has added to the problem,

ment has added to the problem, causing rising unemployment which could push larga numbers of ambitious Indonesians beck into non-productive jobs in villages and cities. Although observers believe that the Government of President Suharto can control any social unrest this may cause, they also think that the economic downturo will be the country's biggest challenge.

economic downturo will be the country's biggest challenge since it gained independence in 1945.

In tha 10 years up to the early 1980s, Indonesle shared in the major surge of growth achieved by Southeast Asia's capitalist aconomies, Averaga real growth rates amounted to account 7 per cent a year, much around 7 per cent a year, much of it based on revenues from

oil exports.

This year the rate will be nagative, raising concero that the previous bigh levels achieved may have permanently ended, certainly without a substantial increase in the oil price. Indonesla might returo one day to growth rates of 5 per cent, government econo-mists believe, but it would take

st least ten years. Growth began to slow dramgrowth began to slow dram-stically even last year, when world oil prices were much higher than today. The World Bank estimated in early June that Indonesis's 1986 GDP grew In resl terms by only 1.1 per cent, down from 6.6 per cent

the previous year.
With Indonesia dependent an oil and gas exports for alindst.

70 per cent of its foreign earnings and almost 60 per cent of budget revenues, the drop in world oil prices from more than than \$10 a barrel this year will cut its present-year real growth even more savagely.

Estimetes of this year's likely performance range from a neg-etive growth rate of 3 per cent to a rate marginally greater than zero. A recent estimata

Few observers in Jakarta expect the private sector suddenly to take over as the engine of economic growth

from the Faculty of Economics at the University of Indonesia predicted around -1 per rent. Indonesia's problem is simply that the sustained sirength of the oil market in recent years took much of the urgency out of its need to build a range of internationally vieble indus-tries. The results are now being seen in the shortfells in the balance of payments and the

budget.
Today the country bas no choice but to slash its development budget and restrict imports in the short term and to

ment bunget and restrict imports in the short term and to attempt to attract foreign investment ro boost the non-oil sector in the medium term.

The 1986 development budget has been cut by almost \$3bn to \$8hn over the 1985 figure but, underspending in previous years on development projects mey mesn thot actual spending this year will be little changed from last year.

Nominolly, the heaviest cuts id the development budget will fall on public works, transport and electricity generation. Spending on education and Government salaries will not be reduced.

If both the 1985 development budget allocation and the carried-over funds are spent then the real effect of the cuts

then the real effect of the cuts will not be seen until next year.
At that stage nobody reelly
knows whal tha consequences will be. Few observers in Jakarta, bowever, expect the private sector suddenly to take over from the Government as the engine of economic growth Problams have also arisen over foreign investment. In arly May the Government announced a new package of meosures to stimulate foreign investment, disillusionment bas investment, distinusionment oas since set in lorgely because the liberalisations are regarded as more cosmetic thon reol.

Mr Richord Beacham, bead of

the Indonesien-British Association in Jakorta, put it more bluntly than most. The main

THE republic of Indonesia, problam with the Mey package South-east Asia's largest nation, was that it did not alter the fact South-east Asia's largest nation, was that it did not alter the fact faces a major economic collapse caused by falling oil prices that the Indonesian Government atill wished to exert political threatens to overturn the procontrol over foreign investment, be said.

Mr Beecham shares the view of foreign businessmen in Jakarta that in the longar-lerm, Indonesia offers real business opportunities, with its buge land area and resources and a labour force which remains stable and cheap. In the immediate future,

"rathar alim."
Last year's foreign investment performance was nothing short of disastrous with another

Today the country has no choice but to slash its development budget and restrict imports to try to attract foreign investment

\$106m in funds compared with on inflow of \$229m in 1984. In January and February this year the inflow figure was \$75m.
Last year's visit to Indonesia
by Mrs Margaret Thatcher, the
British Prime Minister, has apparently ancouraged British businesses to take more interest

idner still

businesses to take more interest in the country. The Thatcher Government is said to be planning a major aid boost to Indonesia, increasing funds from £10m or so up to £100m.

Mr Daniel Hogan, vice-president of Chase Manhattan Bank in Jakarta, sees a similar picture of short-term gloom but longer-term, prospects, for growth. Chase, Manhattan was experiencing "definite liquidity problems," among corporste borrowers who were requesting debi-restructuring arrangedebl-restructuring arrange-ments, be said. But longer-term indications were positive and the benk was certainly nol planing to pull out from the country.

Mr Graham Shsw, president of Auscham (the Australian Chamber of Commerce in Indonesia), commented thet while many foreign companies were facing a difficult adjustment as a result of overcapacity in key industries, opportunities con-tinued to exist in mining, agriculture and in some specialist manufacturing areas.

Sucb opportunities are un-likely to have much immediate effect on President Subarto's major potential problem—unemployment. To keep pace with new job-seekars and find positions for workers losing thair jobs, 180 new jobs or one smell foctory naed to be created evary hour.
Millions in this nation of

165m people work in the "in-forms! sector" where they either engage in subsistence farming or do jobs such as voluntary car park strendants in cities, which amount to par-tial employment ot best. Unemployment is already at 35 per cent.

per cent.
Dr Hadi Sdestraso, Director of Economics at the influentiel Government-backed Centre for Strategic and International Studies (SCIS), says bowever that people can still rely on the informal sector and serious social unrest is unlikely to follow the economic crisis.

Both opposition leaders and Ogvernment supporters agree

Ooveroment supporters agree that the Suharto regime will be abla to maintain stability even in the foce of o substantiol rise

in the foce of a substantial rise in unemployment.

The danger for Indonesia is that after 10 years of development it could slide back into the Third World economic patterns which its oil weelth had opparently consigned to the post

FINANCIAL TIMES

Published by The Financial Times Published by The Financial Times (Europe) Ltd., Frankfurt Branch, represented by E. Hugo, Prankfurt Main, and, as members of the Board of Directors, F. Barlow, R.A.F. McClean, G.T.S. Damer, M.C. Gorman, D.E.P. Palmer, London, Printer: Frankfurter-Societäts-Druckerel-GmbH, Frankfurt/Main. Responsible editor: G.E.P. Smith, Frankfurt/Main. Citiollouistrasse 34, 6000 Frankfurt am Main 1. 9 The Fibancial Times Ltd, 1986. Financial Times Ltd, 1986. Financial Times Lid, 1886.

FINANCIAL TIMES, USES No. 190640, published daily except Sundays and hotidays. It.S. subscripton rates 5365.00 per annum. Second class postage paid at New York, N.Y. and at admitional melling offices. POSTMASTER: send address changes to Financial. Times, 14 East 80th Street, New York, N.Y. 19022.

### How you judge the programme's success depends on your viewpoint, writes Andriana Ierodiaconou Greek economic measures yield mixed results

ratner like the psychological test in which one is invited to describe a glass contoining water to the half way mork and, depending on one's outlook, finds it to be either half full or half empty.

The economic slabilisolion programme introduced by the Socialist Government last Socialist Government last October to tacke double-digit inflotion and high current occount and public sector deficits has so far yielded mixed results. To the Government, the partlol progress achieved, even if it falls short of that expected, means the programme is proving a success.

To the conservative opposition, radical left trade unions, erities within the Sociolist party itself and the general public, the shortfall is what counts, and il means the programme is a

The Government followed a classic enough recipe in putting the stabilisation package to-gether, on the basis of which it was able to negotiote a two tranche Ecu 1.75bn (£1.2bn) balance of payments support loan from the European Com-

ing the woge indexation system Ing the woge indexation system introduced in 1981 by the Socialists themselves, the Cotober measures included a 15 per cent devaluation of the dracbma — the effective exchange rata has been allowed to slide by another 6 per cent of socialists. The socialists incompletely the connomy if it is to lead to to a target of 14 per rent, to a target of 15 per cent of the connomy if it is to lead to a target of 14 per rent, to a target of 14 per rent, to a target of 14 per rent, to a target of 15 per cent of the connomy if it is to lead to a target of 14 per rent, to a target of the connomy if it is to lead to a target of 14 per rent, to a target of 14 per rent, to a target of 14 per rent, to a target of 15 per cent of the connomy if it is to lead to a target of 14 per rent, to a target of 14 per rent, to a target of 14 per rent, to a target of 15 per cent of the connomy if it is to lead to a target of 14 per rent, to a target of 14 per rent, to a target of the decline in net decline in deposits, the Bank of Greece has said it has had to urist earnings crippled by the October devaluation. Stagnont shipping revenues and tourist earnings crippled by the Stagnont shipping revenues by 53.4 per to october devaluation. Stagnont shipping revenues by the October devaluation.

Stagnont shipping revenues to stabilisation programme to stabilisation progra

JUDGING THE state of the Geposit scheme, a tight mone-Greek economy these days is rather like the psychotogical the public section horrowing re-

formally depends: a reduction of the current account deficit from \$3.3hn in 1985 to \$1.7hn; a reduction of the PSBR from 1B per cent of gross domestic product to ot leost 14 per cent; a reduction in the annual angular reduction in the annual contribution of the second inflation rate from 25 per rent to 16 per cent; and a cut in domestic credit expansion from 26.4 per cent to 17 per cent.

According to a US Fedaral Reserve Board internal report on Greece in April, "The specific targets... are strikingly similar to conditions that the IMF moy hove been expected to ment, except that the IMF would probably also have required substantial structural adjustment."

Indeed, over the past few oan from the European Comnunity.

As well as drastically modifying the woge indexation system introduced in 1981 by the days of the stablisation programme ought to be supplemented with measures to tsekle the fundsmental structurol problems of the year ran at an annual rate of 28.5 per cent os opposed to a target of 14 per rent.

While the Government has reportedly quietly liberoted o renge of prices and even shown flexibility over dismissals—at present limited to 20 per cent a month—in isolated cases of companies facing acute financial difficulties, it has so far slopped short of taking outright steps to liberotics. to liberolise the economy. In some areas it has actively resisted change in that direc-

Thus, the Bank of Greece sion explain in some part one recently lost the battle for on of the chief conundrums of increase in administered in the stabilisation programme—

out against an increase in interest rates in order not to inflate private and public sector horrowing costs, preferring to instruct hanks to exercise strict rationing in allocating loans. The Ministry believes the overruns in credit expan-

whole of 1986, bringing the total external debt to \$16.8bn.

The Economy Ministry beld

While the Government has quietly freed a range of prices from controls and even shown flexibility over redundancies in some cases, it has so far stopped short of taking outright steps to liberalise the economy.

terest raies—the hank proposed o 4 per cent rise—to counter substantial over-sbooting of months, the Government has credit expansion targets and received advice from various boost declining private deposits. quarters, including the OECD For the private sector, for and the Bonk of Greece, thet which the Economy Ministry

ments figures, non-oil imports and that the incomes standstill went up by 8 per cent while non-oil exports rose by 10.4 per Perhaps the area of most con-

Most independent economists are now working on the assumption of a current account deficit its faiture to make an appreciable dent in consumer demsnd and imports in the first half of the yeor.

According to the bank's January-May balance of paymouth for the process of the decrease in oil prices will not show up in the figures until the second balf of the year.

rent, judged o slow response to the competitive boost afforded the public sector. Officials say that the ombitious PSBR reduc-

receipts, up by 84.2 per cent relative to the some period last year. The deficit level is even more disturbing, given the authorities' frank admission decision not to pass on the benefits of the fall in oil prices to consumers. " If we achieve the PSBR targel easily this year, that will mean things will have to be very

tough next year. Like a fet person on o diet, the first ten kilos are the cosicst to lose." additional factors to explain kilos are the eosicst to lose, the recalcitrant consumption and import levels, including the The Ministry for its part by The Ministry for its part bit he bullet in July and the bullet in July and announced o surprise wave of 15 per cent price increases on basic services such as electri-city, telephone, waler, the post office and railway and air fares, the second since October, in order to curb wayword public

> The move was a courageous one polltically, given that the Socialists fare municipal elections in October in which the Communist and Conservatire opposition will try td cash in on voters' dissatisfoction over the economy. Independent observers are conferned, however, that it might place a strain on the one indicator which has so far developed right on target, that of inflation.

sector corporation deficits.

Meanwhile, much d epends on a computer-aided crussde against tax evasion currently being waged by Mr Dimitris Tsovolas, the Finance Minister, whose task is to increase direct taxation revenues by 53.4 per cent this year. If he succeeds,

### Australian jobless in steep rise

The July jobless rate jumped to 8.3 per cent from 7.6 per cent in June, the highest level since June last year.

When all other economic in-When all other economic indicators spelled gloom over the past nine months, the declining unemployment rate was the only bright spot Mr Hawke could point to in defence of his government's economic policies. Even last June, when the current account deficit reached a new height and the Australian dollar took a beating from currency markets, the unemployment figure of 7.5 per cent the lowest for almost four of the moribund — the lowest for almost four years—provided some cheer.

Mr Hawke said the figure that Iran inspired it was expected because of the slowdown in economic growth rate.

The Minister for Employment The Minister for Employment and Industrial Relations, Mr Ralpb Willis, warned of further increases in unemployment if trade unions refused to accept government calls for smaller salary increases. He said the tough 1986-87 budget to be announced on August 19 would also put pressure on employ-

which wages are reviewed twice Brioni two months ago, the deayear and are fully adjusted cline in prospect for the year for rises in inflation rates. as a whole has looked catas-CAI's director-general, Mr trophic for many producers. Bryan Noakes, said that unless unemployment were turned

the come

The choice h

beifentittteilt fice

d restrict my

try to attract Colli inschool

skiich isc

Richard Johns assesses the politics of the Geneva meeting

## Hidden persuaders behind the Opec compromise

By Emilia Tagaza in Casherra

THE Australian Government commented one veteran delegate on the dramatic turnaround of the Organisation of Petroleum Exporting Countries' conference which ended on Tuesday of a sharp rise in memployment rate, ending the general downward trend since Mr Bob Hawke became Prime Mr Bob Hawke became Prime The July jobless rate jumped

"IF we had left Geneva with nothing, we'd have had it."

devilled efforts to take contribute of the country of the old quota system under the ceiling of 16m b/d, agreed in nothing, we'd have had it."

October 1984 but defunct aince the end of last year, showed a significant willingness to compared on the dramatic turnaround of the Organisation of Petroleum Exporting Countries' conference which ended on Tuesday in the brink of collapse. Total failure would, in effect, have ment Impossible especially a continued slide in prices to take control to to take control to take cotton to stop the rot by ceiling of 16m b/d, agreed in financial squeeze on the country of the end of last year, showed a significant willingness to compromise for every one produced by Iraq in the organist what he called "the US" (Grisanti, the Venezuelan Chler the end of last year, showed a significant willingness to compromise for every one produced by Iraq in the organist what he called in the control to the end of last year, showed a significant willingness to compromise for every one produced by Iraq in the interior of the structions since the end of last year, showed a significant willingness to compromise for every one produced by Ira a continued slide in prices to levels so low that production would have become uneconomic for several of them. It could conceivably have led to an escalation of the Guif conflict.

The temporary occurd on production sharing under o ceiling of 16m barrels a day, even if

one member has not subscribed to it and the duration is only two months, could at least lay

meeting was the fact

the foundation for a lasting recovery of the market and prices.

tough 1988-87 budget to be announced on August 19 would also put pressure on employment.

The Confederation of Australian Industry (CAI), the biggest employers group, asid the Government must now abandon its in prices since the last abortive wages indexation policy, under which wages are reviewed twice a year and are fully adjusted

Yet the world in not a rational policy of recovering market place and, in particular, the war share and setting moderate price around, the Government faced between two member states, Iran a blow-ont in its budget deficit. and Iraq, has consistently be-

resolving is the one over pricing targets and the related overall

By last Sunday night, depression had settled over a conference which bad meandered slowly around in all-too-familiar cipcles. In the face of a price in the \$8-10 a barrel rapper and a cellorities. barrel range and a collective output of about 20.3m barrels a day (3m b/d above what the majority agreed on Brioni would be demand for members' crude), the best prospect in view was for pledges of "voluntary" cuts amounting to just over 2m b/d. This was seen as a reduction that would be sufficient to bring a little stability to the market but one unlikely, in practice, to be

Opec was in a blind ally before the lateral move out of it tn o more promising approach came as a breath-taking surprise last Sunday night. Even more astonishing that the recovery of the moribund meet-ing was the fact that Iran inspired it. Its quota dispute with Iraq and bostility towards its Arab backers, Saudi Arabia and Kuwait, seemed to leave it completely out of the reckoning. As a mediator. So, too, did its alliance with Algeria and Libya in what, this year, has been an increasingly bitter confrontation with the majority which in April endorsed a continuation of the

parity with its enemy seemed less than 14-14.5m b/d—the rate service to Sirri Island, Iran's per to rock I last week to make any agreement Impossible especially after President Saddan Hussein in person had said last month that nothing less than equality was acceptable. The second basic difference Opec is still far from recoluing is the one over pricing waspisb chief delegate, Mr service to Sirri Island, Iran's per to rock I weakenin The arguments to rock I weakenin The arguments after the same time to rock I weakenin The arguments after the control of the production could weakenin The arguments after the control of the production could weakenin The arguments after President Saddan Hussein inght that carning a couple of dollars or so with the same time acceptable to Algeria whose it obtains no bard currency on crude involved in barter trade.

	OPEC OU	TPUT SI	(ARÉS		
	1983-5 quotas (b/dm)	%	Brioni proposed quotas (b/dm)	% °	Actua ut-put i July.
Saudi Arabia	4.353	25.5	4.500	25.5	5.40
Iran	2.300	14.3	2.400	15.0	2.20
Venezuela	1.550	9.7	1.700	9.6	1.70
Nigeria	1.300	8.1	1.450	8.2	1.60
Iraq	1,200	7.5	1.600	9.0	1.90
Indonesia	1.18 <del>9</del>	7.A	7350	7.6	7.32
Libya	0.990	6.2	119.00	6.2	1.20
United Arab Emirates	0 <i>.9</i> 50	5.9	1,075	6.1	1.50
Kuwait	0.900	5.6	1.075	6.1	1.60
Algeria	0.653	4.1	0,650	3.6	0.68
Oatar	0.280	1.7	8.300	1.7	0.45
Ecuador	0.183	1.1	0.250	8.0	0.28
Gabon	0.137	6.8	0.150	8.9	1.70

Belkacem Nabi, had called for 15-16m b/d in his six-point plan.

Revolutionary Iran'a commitment to maximising per barrel revenues has been intensified by constraints on its exports imposen by Iraql air attack. The blockade of Kharg Island, rather than any respect for out-put restraint, is the reeson why it alone has been within its quota with an average of little more than 2m b/d.

policy of recovering market share and setting moderate price goals.

The proposal for a return to Reza Aghazadeh, Iran's Minister of.

Nevertheless its sponsorship nevermeless its sponsorsing of the interim solution to Opec's problems, involving no Iraqi commitment, merely de facto recognition of its refusal to cooperate, could be embarrassing at bome for Mr Aghazadeh's

market share, is that Iran might be goaded into escalating

With the Iranians clearly cock-a-hoop over the course of the conflict, it was difficult to believe that there was not an element of prejudice, if not appeasement, in the scceptance appeasement, in the scceptance of the plan by Saudi Arabia and Kuwait, some of whose own politically literate citizens are sceptical about the advantages to them of the price war. How much longer those two oil powers might bave preferred to continue it and close down more bigh cost production is unclear. For their part the Iranians were on strong ground. Several times over the past few months King Fahd has spoken of Saudi willingness to see the 16m b/d ceiling restored if others observed quotas and possibly Riyadh bad concluded that the Opec recalcitrants bad learnt their lesson. By the end of last week the four conservative Arab producers of the Gulf were becoming isolated and the majority of 10 achieved in April, with Gabon already having defected, bod disintegrated.

When the proposal was put, Sheikh Ahmed Zaki Yamani, the at bome for Mr Agnazadeh's government. Hence the stress on the fact that the Islamic Republic bad conceded nothing and the assurance that it would asoon be in a position "to control" Iraq's exports. With the way the war is going, the claim That very morning, his

than 1.5m b/d for itself, looked to be the biggest problem. A telephone call to Sheikh Zeid in Abu Dhabl quickly obtained the UAE's compliance.

The same veteran delegate described the initiative os "one of the cleverest strategic moves I've seen in Opec." The deadlock caused by the Gulf conflict bad to ba resolved by one of the parties to it, he pointed out.

In the event, the quota pro-

In Gulf circles, some favour low prices as a means of weakening Iran's war effort

positions originally agreed in Moreb 1983 and confirmed in 1984 when the celling was lowered from 17.5m b/d to 16m h/d proved to he rhe lowest common denominator of agreement for all but one ond was preferable to the division
—seemingly more equitable—
worked out by Dr Subroto, the Indonesian Minister of Mines and Energy, on Brioni, derived from what each member believed to be the fairest share-

out. Opec has regained some coberence and plausihility. The satisfaction and determination sbown at the conference's end indicates that the accord will he observed until the next meeting That very morning, his in October. Then the measure Government had Issued a state- of unity achieved will be sorely an's Minister of. acceptable and reasonable placety.

### **Gulf** war air attacks intensify

By Our Middle East Staff

AIR ATTACKS by Iraq and Iron intensified yesterday amid mounting speculation that the Tebran Government was preparing for another major offen-

claimed that 74 Iraqis, includ-ing 21 children, bad been killed during an Iranian attock on the northern border town of Halabja. Another 140 people were said to bave been injured. In retaliotion for the alleged attack, Iraqi aircraft raided targets around the Iranian city

of Isfahan.
Iraq claimed to bave inflicted serious damage on an oil re-fenery and three power stations and 10 have attacked Iran's oil export terminal at Kharg Island. This increase in hostilities reflects Iraq's concern that Iran may be close to launching what Tehran has described as a finat and decisive offensive. Additional Iranian forces bove been deployed in border areas dur-ing the past few weeks but there is still no clear evidence that it is planning anything

more than another in its series of limited attacks. Western diplomats in both capitals continue to be highly sceptical about Iran's capacity to achieve a decisive break-through in the Gulf war. Al-though it has succeeded in pusbing back Iraqi forces twice this year, it still lacks the logistical weight to exploit those initiol advances.

Military experts believe that, as long os Iraq's military morale holds steady, its superior weaponry and airpower should prove capable of containing any

new Iranian assault. Assessments of Iran's intenplicated by the dismissal of Col Sayyed Shirazi as the comcould prove true, a possibility that the conservative Arab states of the Gulf are well aware of.

Could prove true, a possibility that the conservative Arab states of the Gulf are well aware of.

Could prove true, a possibility down that the priority tested by negotiations not only on quotas but also on pricing acceptable and reasonable strategy.

### Sydney starts to recover from effects of flooding

BY ROBERT KENNEDY IN SYDNEY

THE WETTEST 24 bours in Sydney since records were first kept in the mid-1800s has thrown the city into chaos this week.

However, signs were emerging yesterday that things were getting back to hormal. Full public transport services resumed for the first time in 48 hours and flood waters had subsided to a level, where the some than owners of cars abandoned the sprevious day could return to collect them.

The council estimated that 15,000 calls had been received since Tuesday morning. More than 327mm of rain—about 13 inches—fell in the 24 hours to getting back to hormal. Full public transport services resumed for the first time in 48 hours and flood waters had subsided to a level, where the some transport services resumed for the first council estimated that the since Tuesday morning. More than 327mm of rain—about 13 inches—fell in the 24 hours to getting back to hormal. Full public transport services resumed for the first time in 48 hours and flood waters had subsided to a level, where the some transport services resumed for the first time in 48 hours and flood waters had subsided to a level, where the some transport services resumed for the first time in 48 hours and flood waters had subsided to a level, where the some transport services resumed for the first time in 48 hours and flood waters had subsided to a level, where the some transport services resumed for the first time in 48 hours and flood waters had subsided to a level, where the some transport services resumed for the first time in 48 hours and flood waters had subsided to a level, where the some transport services resumed for the first time in 48 hours and flood waters had subsided to a level, where the some transport services resumed for the flood and the some transport services resumed for the flood and the some transport services resumed for the some

By the time the rain finally each towards easing the plight eased yesterday, at least five people had died and the damage Mr Barry Unsworth, Premier

Four council districts in tha west of the city were still designated emergency areas but the number of distress calls to the Sydney County Council was starting to fall.

About 1,500 people had been

evacuated from homes in low-measure of relief where flood-lying areas in the Hawkesbury ing has caused distress," he said.

THE WETTEST 24 bours in area, about 30 minutes from the

bill was estimated at more than of New South Wales, said the A\$100m (£41m). ment of personal effects, essential household items and repairs necessary to restore bomes to a safe end habitable condition.

was praised yesterday by a

ments last night pledged \$10m

"The casb assistance is not designed to provide compensa-tion for losses but to give a

Bankruptcy move backed

senior Communist Party official who said the concern's failure meant government should keep its bands off industry, Reuter reports from Peking. s bands off industry, Reuter ruptcy as a good start toward curbing excessive government. The bankruptcy is seen as a interference in the country's

test case in China, where current reforms aimed guaranteed jobs regardless of streamlining industry.

norm.

The New China News Agency said that Li Zemin, party secretary in the north east city of Shenyang, had praised the bank-

## BLANCPAIN



Weighes of Switzerland Ital

HOROLOGISTS

16 New Bond Street, Mayfair, London W1Y 9PF Tel: 01-493-5916 and at 22 Royal Exchange, EC3V 3LP Tel: 01-626-7321

Mr Sadiq et Mahdi, Sudan's Prime Minister, makes his first visit to Libya today where he is expected to bave talks with Libyan leader Col Muammar Gadaffi, John Murray-Brown reports from Khartonm.

Liberation Army, SPLA,

This follows the historic meating last week between Mr Sadiq and SPLA leader Col John Garang, news of which was greeted with cantious optimism by western diplomats in Khartoum.

Airlines suspend flights to Colombo

other airlines that are either reducing flights to Sri Lanka

HK jockey charged in racing scandal

New Delhi blast

AP reports.

The explosion shook a high-rise downtown building that houses the offices of the bank, as well as those of Banque National de Paris, the Renters news approximately approxi the Reuters news agency, Saudi Airlines, Kuwait Airways and several Indian organisations.

### for talks with Gadaffi

sentatives and mombers of the national alliance, a broad umbrella of political parties, have continued all this week in Addis Ababa in a bid to end Sudan's three-year civil

or stopping operations here altogether because of a drop in tourism, Reuter reports from Colombe.

Swissalr said yesterday it was suspending flights from

March next year because of the "steady downward trend," in Sri Lankan traffic due to three years of fighting be-tween security forces and Tamil separatests.

Police said yesterday they have made no headway in determining who planted the dynamite that blasted a Bank of America office in New Delbi on Wednesday night,

## Sadiq set

Khartoum. The two leaders are likely to discuss the ill-defined mill-tary agreement signed last by the Sodan's transitional government. The abrogation of this agreement was one precondition demanded by the rebel Sodan Peoples'

fore it would negotiate with he government in Khartoum. Talks between SPLA repre-

Swissair has joined five

A spokesman for the state-owned carrier Air Lanka told reporters Korean Air Lines and Reyal Nepal Airlines were auspending flights to Colombo in the next two months. He sald Garuda of Indonesia, Singapore Airlines and British

An apprentice jockey was charged yesterday with con-spiring to cheat ot gambling, bring to the those facing court proceedings linked to Hong Kong's worst racing scandal, Renter reports. A spokesman for the Inde-pendent Commission Against Corruption told reporters that all would appear in court

baffles police

As the first and the biggest in the relocation business, we're well aware of the problems involved in moving key staff to the territory where they're most needed.

We've seen the heartbreaks and the success stories, and learnt from both. For example, bridging loans, or even hotel bills alone could easily cost you £500 a month.

We'll help cut down the cost. Cut out the problems. And cut out the worry.

Having pioneered the relocation business

we know how little it ought to cost.

We'll sell the existing home, find a new one, and take care of removals and the legal and financial side.

It's a service that's being used by well over 300 major companies in

the U.K. For further details and our "Total Relocation Management" brochure, ring Drew Duncan on Swindon (0793) 36211.

When you speak to the pioneers. you'll be surprised how little it all costs.

For their peace of mind and yours

### Superpower arms control experts to meet in Moscow

BY REGINALD DALE, US EDITOR IN WASHINGTON

THE US and the Soviet Union man, as well as Mr Edward that Washington is now serious are to bold a bigh-level meeting Rowny, a special presidential about resolving its internal differences, as well as to engage Soviet reaction to a letter sent Defence Initiative.

Washington also bopes that ment of Star Wars weapons would expire well before the meeting will elicit an initial developed under bis Strategic ferences, as well as to engage Soviet reaction to a letter sent Defence Initiative. of their arms control experts in adviser, and Mr Richard Perle.

Moscow next week as part of the Assistant Secretary of Defence. preparations for the next summit meeting between President Ronald Reagan and Mr Mikhail warring factions on arms confidence, the Soviet leader, trol, with Mr Nitze embodying the White House has announced. The delegation thus represents Washington's two main warring factions on arms confidence in the main warring fact

the White House has announced. The US team, to be led by Mr Perle those likely to hold out against any agreement that clude the three top US negotistors at the Geneva arms talks. The idea of including Mr Max Kampelman, Mr Ronald Perle, according to ons US officials on the US team, to be led by Mr Reagan's senior arms control advlaer, will include the three top US negotistors at the Geneva arms talks. The idea of including Mr Max Kampelman, Mr Ronald Perle, according to ons US officials do not against any agreement that would be acceptable to Moscow.

The US team, to be led by Mr Gorbachev, to prepare the aummit. US officials do not expect any breakthrough, but say that they hope the talks will belp to define the issues and identify areas where early agreement might be possible.

The US team, to be led by Mr Gorbachev, to prepare the aummit. US officials do not expect any breakthrough, but say that they hope the talks will belp to define the issues and identify areas where early agreement might be possible.

Any restrictions on deployment that Mr Reagan is so far agreement might be possible.

ferences, as well as to engage the Pentagon in the negotiating process.

effective Star Wars shield against Soviet missiles—and, if so, is such a system feasible by the early 1990s?

Two and a half years into President Ronald Reagan's \$26bn Strategic Defence

Initiative—which is researching the possibilities for a compre-hensive anti-missile system—

questions are still far from

Even those who answer year

to the first question may have difficulty, due to the problems of perfecting the required technology in such a short time, being similarly emphatic about

Soviet reaction to a letter sent Defence Initiative. by Mr Reagan to Mr Gorbachev at the end of last month, in which he proposed modifications in the 1972 Anti-Ballistic Mis-

Mr Reagan sought to put the record straight on Wednesday night by declaring: "When the time has come and the research is complete, yes, we're going to deploy" In spite of the concern sile (ABM) tresty while work proceeds on defensive strategic

Peter Marsh assesses the options facing Strategic Defence Initiative planners

Doubts grow over Star Wars timetable

Mr Reagan is believed only to be offering to keep limits on detployment for the naxt seven and a balf years, when work on the weapons will still be at the research and development stage.

OMr Paul Nitze (right), who leads the US team, embodies the Administration forces shich would like a new arms agreement with the Soviet

reports as evidence that the US

gets — in advance of a more grandiose scheme to shield

Dr James Ionson, a top official at the SDI Organisation, the

Pentagon department overseeing Star Wars, says that discussions

could be built in the early,

towns and cities.



year.
In July retail prices increased by 6.8 per cent, against recent official expectations of 5 per central transfer for

that it intended aiming for annual inflation of 28 per cent is for 1986, bur 50 per cent is now being projected.

Mr Juan Trilla, president of the Congressional Committee on the Budget, said the August inflation figure would probably be similar to that for July. Nonetheless, the fiscal deficit target could be maintained because tax collections were excused. cause tax collections were expected to increase in line with the general inflation rate and because tax authorities were

more vigilant.

The sudden jump in the monthly figures is, bowever, causing concern to President Alfonsin's economic team which Is unable to attribute the increase to isolated causes such

were accompanied by a new evaluation of exactly what level of research is allowed under the ABM Treaty the thrust of that it is only going to do laboratory testing for the next five years then that could have the effect of putting off deployment for much longer,"

Fiscal and Economic Implica-

"President Reagan is offering It would be designed to shoot to defer for five to seven years down Soviet intercontinental something that will not be available for 20," saya Dr Stein-burner. runer. destroy their targets. Such a Others have interpreted the system could be fully operational by the year 2005 and cost

msy be willing to defer any ideas about constructing a limited anti-missile system — perhaps one to defend missile silos and other key military tar-\$160bn.

Even this systems, say Dr
Utgoff and Mr Blechman, could he scaled down. For example, a shield which simply defends the targets against intercontinental missiles could be installed for a bargain rate \$30bn.

Other options considered in the study comprise systems with progressively greater ambitions. A shield to provide limited protection of towns and cities in

A shield to provide limited protection of towns and cities in Cansala and North America could also be ready by 2005 but at a much greater cost—\$170hm.

According to Dr Utgoff, an agreement with the Soviet Union to postpone deployment of any of these systems for five to seven years could be significant more for its long-term polltical consequences than for any delays in installing a shield in the immediate future.

in the immediate future.

He says that if the agreement

the SDI project could be slowed considerably. "If the US agreea propert altogether,

There is also the difficulty of agreeing with the USSR on what kind of research is allowed under the 1972 treaty, which places limits hoth on the installation of anti-missile hardware and on development programmes.

According to the US interpretation, virtually any activi.

The postponement of postponement is postponement of postponement of postponement of postponement of postponement of postponement of the treature of the study, Dr Utgoff and is meanlagless, Because thera is moposet in the study, Dr Utgoff and In the effect of putting off deployment for much longer.

The lastoratory testing for the effect of pu

### Argentine inflation rate rises sharply

ARGENTINA'S economic stab ARGENTINA'S economic stan-disation programme, the Austral Plan, has suffered its worst setback since its launch in June 1985, with the announcement on Wednesday-night of the worst mouthly in-flation rate figures for over a

official expectations of 5 per cent. The accumulated rate for the first seven months of 1986 is 33.3 per cent.

In a letter to the IMF in June the Government stated that it intended aiming for account in the intended aiming for account inferior of 200 are account.

increase to isolated causes such as a series of strikes. Price increases resulting from a sustained increase in demand are mainly to blame. A recent series of wage increases in both the private and public sectors are thought to lie behind the sudden growth in demand.

### **US N-plant** condemned

The only US nuclear reactor that usee technology aimilar to the Soviet Chernobyl reactor sbould be closed by the mid-1990s, a Congressional report recommends. AP reports from Washington.

### Six non-aligned nations outline verification plans

BY DAVID GARDNER IN IXTAPA

LEADERS OF the so-called Group of Six nations, who have been holding a aummit on nuclear disarmament here this week, yesterday announced detailed proposals for the verification of the nuclear testing moratorium they are seeking to promote hetween the US and the Soviet Union.

The clean put forward by the

The plan, put forward by the leaders of India, Mexico, Sweden, Greece, Argentina and Tanzania, breaks down into five main proposals on verification which could be carried out by either scientists from the six nations themselves, in conjunction with the US and Soviet Union, or by the superpowers alone. In summary, the group

 Take over seismic monitoring Take over seismic monitoring stations already set up by the Natural Resources Defence Council (NRDC)—a private US ecology action group—at the Sovlet test site in Semipalatinsk, Kazahstan, and estahlish others at Novoyazemyla on the Arctic coast and at the US's Nevada test site:

● Look at other sites which might worry either side through being beyond ordinary tele-seismic monitoring; Establish a scheme of on-site inspection for "ambigu-ous" geophysical phenomena

• Take over the 20 to 30 existing monitoring stations in each

hefore, during and after they take place.

The Group of Six proposals cover explosions over one kiloton, and would run for a year, though the eventual aim of the initiative is a comprehensive

test ban. The US House of Representa-tives is due next week to debate an amendment to the 1986-87 defence budget calling for a

one-year moratorium on testing weapons of over one kiloton beginning in January.
The amendment brought by Mr Les Aspin, the conservative Wisconsin Democrat, would be Wisconsin Democrat, would be revocable if President Reagen certifies to Congress that Moscow bad carried out tests above 1 kiloton or any test outside the designated area after December 31 1986; or If the Soviats refused to accept and implement "in-country" or reciprocal monitoring between the two sides, during 1987.

The 1 kiloton threshold common to both fultiatives would impair the development of new strategic weapons, scientists at the summit bere say, and would Treaty.

the summit bere say, and would therefore interfere with tha ballistic missile defence systam development envisaged for Preof the two countries in order aldent Reagan's to provide 24 bour surveillance Defence Initiative. Reagan's

The new loan carries a below market interest rate of

Banque Française du Commerce Extérieur (BFCE) and Credit National, two French state bank-

FOUR POSSIBLE TYPES OF ANTI-MISSILE SYSTEM

ALPHA Purpose: defence of US nuclear forces. Technology: ground based rockets plus sensors on aircraft. Operational by 2005 at cost of \$160bn.

Purpose: defence of nuclear forces plus limited protection of 47 main cities and towns of US and Canada. Technology: ground-based rockets. Operational by 2005 at cost of \$170bn.

Purpose: Comprehensive defence against long-range missiles and aircraft. Technology: Beta plus space-based rockets. Operational by 2012 at cost of \$770bn.

DELTA Purpose: as Gamma. Technology: Beta plus laser battle stations in orbit. Operational by 2020 at cost of \$670bn.

—and also on the different types of Star Wars aystems, hat the SDI project may maka

The arguments over possible deployment in the 1990s bave aurfaced as a result of recent reports that President Reagan might be willing to postpone an operational Star Wars system for five to seven years as part of an arms-control packers with the Soviet Union The discussion also involves the level of resources the US wants to devote to Star Wars. Over the next few weeks, Congress is likely to cut by \$1.5bn to \$2bn the \$5.3bn which the Reagan Administration wants to package with the Soviet Union. As well as agreeing to new limits on offensive weapons, this package could settle the super-powers' disagreements over the spend on the project in the fin-anclal year beginning in October, Reduced cash for the level of research into defensive systems parmitted under the 1972 Anti Ballistic Missile programma will inevitably cut the options available to the ad-ministration—and, say SDI pro-ponents, could kill off the project altogether.

The Soviet Union has insisted that the Star Wars programme—and the implied threat that an operational anti-missile shield could be in place in the next couple of decades—is a funda-mental block to warmer relations between the superpowers. The reports have raised questions as to whether progress in research could be fast enough to permit an early installation tiee which stop short of field-testing a working anti-missile system are permissible.

over deployment "depend on what kind of system you want to build."

"The research of the past two or three years has given as a number of options," says Dr Ionson. "An initial system The Soviet Union and some US critics of the Star Wars propect argue that many of the individual experiments planned 1990s."

Dr Victor Utgoff, deputy director for stratagy at the Virginia-based Institute for Defense Analyses, a Pentagon-supported research body takes a different view. Dr Utgoff, the co-author of a recent study into the economic implications of Star Wars, save that construction for the programme — such as schemes to test aensore or weapons in space—hreach the spirit if not the letter of the treaty.

According to some observers, in the absence of any move by the US administration to agree to a different interpretation on research. President Reagan's reported offer of postponement is meaningless. Because thera is no possibility that tha technology for such a system will be ready by the early 1990s.

Dr John Steinbruner, an observers, into the economic implications of Star Wars, says that construction of even a modest antimissile system would be a "tall order" within five years. In the study, Dr Utgoff and Mr Barry Blechman, another defence analyst, review four possible types of anti-missile system that could arise from

## WORLD TRADE NEWS

### France, India reach | China to new-style accord on gas pipeline funding

FRANCE and India have reached a FFr 1.2bn (£120m) reached a FFr 1.2bn (£120m) financing agreement to fund the French contribution of the new \$575m (£375m) Indian gas pipeline project which hreaks new ground in the field of softloan export credits.

For the first time, France has extended a so-called single "monobloc loan" instead of the traditional mixed treasury and the loan to finance the French mortion of the Hazira-Bijapur-

"monobloc loan" instead of the traditional mixed treasury and commercial credits used by portion of the Hazira-Bijapur-Jagdishpur (HBJ) gas pipeline is heing extended on hehalf of Example Covernment by the

The "monohloc loan" is regarded as a 100 per cent French ald credit rather than a traditional mixed credit a traditional mixed credits involving a package comprising a treasury soft loan and commercial bank credits at commercial bank cr

The French authorities sug- played a central role in orchesgest that this new type of credit represents a rebuff to the long-standing criticism by the US over the controversial use of mixed credits to finance exports to developing countries.

to developing countries.

The new form of loan is welcomed by the Indian authorities who believe this type of credit arrangement will facilitate the management of financing and debt of the new gas and fleres compatition. ing and debt of the new gas and flerce competition, to a pipeline contract.

French-Japanese consortium led pipeline contract.

The loan has a 28-year by Spie-Capag of France and maturity including a three-and-including Nippon Kokkan and

ahalf-yeor grace period. Undar the traditional mixed credit system, the grace period only applied to the 50 per cent ing the Hazira gas fields near portion of treasury soft loans Bomhay to eix large gas-based and not to the commercial part of the gradit nackage. of the credit package.

Tokyo.

"That will always be a pres-

Japan on trade surplus'

WASHINGTON will keep applying pressure on Japan to reduce its huge trade surplus with the deficit has to show a down-us, Mr Malcolm Baldrige, trend."

Commerce Secretary, said yas-

Commerce Secretary, said yasterday, Renter reports from Tokyo.

"That will always be a prescular to more than \$60bn

sure point until we can say the (£39bn) next year from \$55bn-Japanese people are really not \$60bn in 1986.

barriers, but also are huying foreign goods," he adde.

"We clearly capacitate of the control of

"We clearly cannot keep running an aver-larger trade deficit
in the US (wblle) other countries are running increasing
trade surpluses."

Time minister, was in tavour
of a plan to turn the focus of
Japan's economy away from
exports, but Japanese bureaucracy and industry were "dragging their feet."

ease credit for joint ventures

BANK of China is to relax its tight credit policies to give lean priority to enterprises involving foreign investment, Wang Deyan, the bank's president said yesterday, AP-DI reports DJ reports. The bank would, in particular, extend help to technology-intensive companies and

manufacturers of products for export, be declared. His remarks, at a con-ference in China on credit for Sine-foreign enterprises, follow complaints by many foreign joint ventures that

they have been unable to ob-tain adequate supplies ef foreign exchange or yuan. China's demestic currency. The currency shortages The currency shortages have affected many companies, including such prominent joint ventures as Beljing Jeep, a joint venture with American Moters Corp., and Shanghai Volkswagen Antomotive, a joint venture with Volkswagen AG.

Wang said the central bank will amend regulations on the issue of credit for enterprises with foreign funds in a bid to create better conditions for their development. The bank will also try to The bank will also try to raise more capital, possibly hy attracting deposits of the foreign-invested enterprises, seeking loans from international banks, and selling bonds at home and ahroad.

bonds at home and ahroad.

Foreign enterprises have complained that the cash ebortage, particularly in foreign exchange, makes it extremely difficult to do business in China.

The Bank of China and other Chinese banks have been reinctant to release the mation's dwindling foreign reserve sumiles, and since US 'will keep pressing

reserve supplies, and since last year have severely restricted general credit issuances to slow down the

overheated economy. Wang said that as China's credit squeeze continues," we have to figure out a way to stop people from committing Chinese investment capital to projects not in accord with the state plan."

Wang stressed that the central bank has tried hard to support the development of joint ventures and other foreign-invested companies. It has issued total credit of \$690m (£392m) in foreign exchange and yuan 2.6bn (£650m) over the past five

Reaction to the defeat of the Jenkins bill in Congress is tinged with concern

### 'Heavy guns' warning to Taiwan Thailand cautious as

that other even heavier guns may be brought to bear against imports from developing nations

Won't go away with the year.

Jenkins bill.'

Tair the I in the future.

in the future.

Mr Philip Chen, deputy director of the Taiwan Textile federation, which oversees quota distribution and exports of textiles and garments, said:

"On the one hand we are very pleased with the outcome. On the other, we are still very alarmed that the protectionist measures won't go away with the Jenkins Bill.

"Other things might follow it would have damaged us aeverely. Many factories might have shut and we would have lost 30 per cent of our exports to the US.

"People in the industry bere wan's failt terms of a agreement.

Last weel Reagan inv. the 1974 T. wan's failt terms of a agreement.

Last weel trade have months in an Last weel to the US.

"People in the industry bere the protectionist terms of a agreement."

Last weel Reagan inv. the 1974 T. wan's failt terms of a agreement.

In addition both country wide protectionist sentiment." Congress "could bling over I seek other ways" to combat the outcome.

SOUTH KOREA breathed easier

yesterday, with the news that

the US House of Representatives had sustained the Presidential veto on the Jenkins Bill, which would have forced e sharp cut in South Korean textila exports

Although the Government issued no formal comment on the Congressional vote, officials were plainly relieved.

to the US.

sweet aentiment, eluce in order

South Korea breathes easier

TAIWAN's textile industry is rejoicing over the failure of the US Congress to override a presidential veto of the Jenkins Bill, which would have severely cut back imports of garments and textiles.

But industry officials cautioned that other even heavier guns won't go away with the greent go of which \$2.5bn or about 40 per cent, went to the US.

By Our trade staff

Taiwan'e disagreements with the US over the spirit of fair trade have risen in recent months in areas besides textiles.

Last week, for instance, Mr Rezean invoked Section 301 of Reagan invoked Section 301 of Reagan invoked Section 301 of the 1974 Trads Act over Tai- on Wednesday sustained Presiwan's failure to implement dent Reagan's veto of the terms of a five-year-old trade Jenkins bill by a vote of 276 agreement. to 149—seven short of the two-In addition, negotiators from thirds majority needed to over-

which could be considerably imports.

Taiwan still enjoys preferential tariff treatment on its exports
"If the Jenkins Bill bad passed \$6.2bn (£4bn)-worth of textiles to the US.

support for the Jenkins Bill.

measures won't go away with the Jenkins Bill.

"Other things might follow which could be considerably worse.

"Other things might follow seek other ways" to combat the imports.

"Other things might follow seek other ways" to combat the imports.

"Other things might follow worse.

"Other things might follow seek other ways" to combat the imports.

"Other things might follow seek other ways" to combat the imports.

"Other things might follow which could be considerably worse. struggling US producers from overseas competition, would have curbed textile imports from 12 countries, most of them

in Asia. Hong Kong, Taiwan and South Korea would bave been hit hardest with cuts of 14-30 per cent. It was nonetheless a bitter- voiced concern about the strong victory for common sense." sweet aentiment, eince in order to help efforts to defeat the hill, Seoul reached an eleventh-hour agreement with the US to limit the growth of textile exports until the end of 1989.

The Ministry of Trade and Industry has calculated that the restrictions will mean some \$1.4bn (£915m) in lost sales over the period.

Newspapers in Seoul also support for the Jenkins Bill.

Even though Congres did not have enough votes to overrids the veto, South Koreans are deeply worried that strong protectionist sentiment in the US congress could yet result in legislation that would cut deeply into their exports, which account for over one-third of tha nation's Gross National Product.



President Reagan 14-30 per cent.

Mr Hamish Macleod, Hong Kong's director of trada, said of the bill'a defeat: "This is a victory for common sense."

A Singapore Foreign Ministry spokesman said foreign ministers of the Association of South-

of the bill's defeat: "This is a victory for common sense."

Industry officials in the British colony, which could have lost jobs and millions of dollars of export earnings, were equally relieved.

Chinese officials declined immediate comment but they bave said protectionist measures and force a cut in imports from the US.

East Asian Nations (Asean) had sent a letter to Congressmen before the vots urging them to sustain the veto.

Mr Viroj Amatakunchai, president of the Thal Garment the vote had avarted a major setback for Thalland's textile and garment industry, which exported about \$290m-worth (£189m) of goods to the US last year.

## Canada optimistic over Turkish N-project

TALKS BETWEEN the Turkish bave been agreed, but the Covernment and Atomic Energy Canadian Government has yet of Canada (AECL), the Canadian nuclear power corporation, are still continuing, an AECL official said yesterday in Ankara.

Mr J. C. Paqin, head of AECL'a Ankara office, said:
"Dialogue with the Turkish Government is still continuing and I am optimistic about reaching a auccessful conclusion."

Several members of the Canadian Cabinet are thought to feel that the Ozal model would be built along the lines of the Several members of the Canadian Cabinet are thought to feel that the Ozal model would be built along the lines of the so-called would be bui

at Akkuyu on the Turkish Medi-term risk. terranean coast were now dead. AECL bas been negotiating build the turkines for the plant with the Turkish Government if the project is given the goover the project for more than ahead.

to give the green light to the financing arrangements for the project which would be built

He was commenting on press reports that plans to build a would place an unacceptable would place an unacceptable would have to aupply both short-term financing and carry long-NEI Parsons of the UK would

aortiums each proposing to build coal-fired power plants of around 1,400 Mw are at an advanced stage. The Canadian project is probably competing for international finance with

**G** In a bid to revive Turkey's flagging trade with one of its key middle Eastern markets, Mr Mustafa Tinaz Titiz, Minister of Stata, files to Tehran today. Iran, three years ago Turkey'a largest market in the Middle East, has found it steadly more difficult to keep up with pur-

chases from Turkey.

the two countries. Iran is undar-stood to be pressing Turkey to buy some finished products. Tha mission will also discuss long-standing projects to build natural gas and crude oil pipelines between Turkey and Iran. Some of these schemes date back to the 10000 date back to the 1960s and though both countries are eager to discuss them they seem unlikely to go much further unless international financing can ba found,

Turkey already has two crude oil pipslines linking the Mediterranean port of Yumurtalik to the Kerkuk oil fields with the Turkish Government of the project is given the government of the project for more than ahead.

Negotiations between Turkey of reviving the economic comperation agreement between run as far as Ankara.

### Ottawa move on steel imports

Canada will require import permits for foreign steel entering Canada from September 1 next.

The Government says the permits will provide vital carbon steel imports are com-

ing from, The Canadian steel industry says imports took 22.7 per cent of the demestic market in 1985

While customs inspections on all imports of pipe and tube are in force, the new move is designed to provide information needed to take anti-dumping measures.

Bulk of the profit of the second seco

A part of the part

Driver and the second s

And the second s

5 N-plant

ndemned

the right

Oncert.

of Section 1999

les is tiller

(Cr.

497 (5

grand distribute

 $\varphi : \mathbb{R}^{n \times n \times 1}$ 

mandari samu dan

The state of the s

STATE OF THE STATE

s August 8 168

## Move to defuse row over ban on **GCHQ** unions

BY DAVID BRINDLE, LABOUR CORRESPONDENT

THE GOVERNMENT yesterday bert Armstrong, Cabinet Secretary backed away from any further con- and Head of the Home Civil Serflict over the ban on unions at Government Communications Headquarters (GCHQ) at Cheltenham in western England by agreeing to review penalties imposed on union members and to take no other ac-

In 1984 the Government banned union membership among the estimated 7,000 employees at the intelligence-gathering centre, on the grounds of national security.

Yesterday's move was seen to indicate a wish on the part of ministers to shelve discreetly an issue that has brought the Government widespread criticism and proved repeatedly to be a thorn in its side.

The likely consequence is that a nucleus of about 50 union members will remain at GCHQ and its outstations, at least until the next general election. Union leaders believe a Labour or SDP-Liberal Alliance government would scrap the ban.

Civil Service unions from Sir Ro- the election.

vice, following talks on Wednesday

Sir Robert reaffirmed that the Government would not withdraw the penalties - pay cuts totalling between £1,536 and £2,196 over two years - imposed by Sir Peter Mary-church, GCHQ director, on at least 15 staff who joined or rejoined unions after agreeing not to do so under the 1984 ban.

However, Sir Robert went on to propose the setting-up of an "ad hoc tribunal" to hear appeals against the penalties. This was, he said, put forward in view of the withdrawal of GCHQ workers' rights to take complaints to industrial tribunals.

Union leaders saw this as clear evidence of the Government wanting to let the issue rest. Mr Peter Jones, secretary of the Council of Civil Service Unions, said: "It means that we will have a hard core of 30 or so 'Co-optants' (union mem-The Government's concessions bers who never accepted the ban) yesterday in a letter to the and 20 or so rejoiners right up until

### Only 29% unemployed 'genuinely seek work'

ONLY 29 per cent of the officially groups which, it feels, should prob registered unemployed are genuinely without a job and desperate for work, according to a new survey on unemployment and the black

The survey, carried out on behalf of the Committee for Research into Public Attitudes; tries to build up a picture of the various groups that make up the total of 3.2m unemployed. In addition to the 900,000 to 1m genuinely unemployed, the survey uncovers 500,000 to 600,000 - 17 per cent of the total - who are

caught in the poverty trap.

The committee identifies three

ably not be included in the official unemployment statistics. Some 350,000 to 450,000 people, mostly older workers, have virtually retired on the dole, it says.

The survey indicated that 320,000 to 420,000 people have come to consider themselves unemployable, because of health, physical or mental disability or unfortunate handicap, while 210,000 to 290,000 have been cial security benefits without look-

### **Builders** say private housing is booming

A BOOM year for private sector house-builders is revealed by the latest six monthly returns from the National House-Building Council, with more bouses being built and soaring prices for new homes, Joan Gray writes.

The NHBC's figures show that the number of new bouses started in the second quarter of 1986 is up 13 per cent on the second quarter last year; for the first six months it is up 8 per cent on the same period last year.

During the last quarter alone, the average start price for a new bouse in Greater London bas jumped by a staggering 23 per cent from £62,000 to £78,000; the average start price of a new house in Britain as a whole has risen from £46,000 to £49,000 in the last quarter.

This can only increase the confidence of house-builders," says the council

☐ BRITISH TELECOM said it had won a major contract, initially worth £26m, to set up Europe'a largest private satellite network to bring additional live television coverage to betting shops all over

☐ AN EXTRA £1bn a year of public spending on higher education plus increased contributions from industry by way of a "remissible" tax are proposed by the Social Democratic Party in a consultative paper pub-lished in London. "Britain's higher education system is falling behind its counterparts in competing countries, the SDP says. The appropriquestion is probably not wbether the UK can afford to expand the system, but whether it can afford not to,

☐ GOVERNMENT is to set up a unified pollution inspectorate within the Department of the Environment. The new inspectorate, to be called HM Inspectorate of Pollution, will bring together four agenwaste and water. It will come into being on April 1 1987.

### Looking for a slice of the property cake

BRITAIN'S new financial con-glomerates are set to thew their way into the property services sector. There are three main

One reason is the desire of the new conglomerates to offer a total in house service for all capital markets (the so-called One-Stop shopping or supermarket approach as opposed to the boutique approach). This is partly a matter of fashion. There is also some logic in the argument that fund management businesses should cover failure by the property proproperty as well as gilts and fession to explain why property

clients may be investing in because of a combination of property — the third most lm colneidences las I argued portant UK capital market — several years ago and would and it seems curious that fund argue now)? management organisations — All too often the property which may have quite strong profession seems to outsiders

real estate broker.

The second main reason for the likely inroads of the conglomeratea is the very low guality of strategic advice the senior fund managers means property profession is seen to the way is wide open for organisations represents the managers of the senior fund managers means property profession is seen to have no particular investment managers outless seen to have no particular and the senior fund managers means outless seen to have no particular and the senior fund managers means outless the second main reason for thinking about such things.

Where the advice is based on research rather than on gut feel or seat of the pants, that rescarch is too often either extremely thin, intellectually suspect, or both. However, it is true that in the past two or three years a small number of surveying firms bave made great efforts to improve the quality of their research, and most respects. But the pro-fession as a whole still has a long way to go,

For far too long we have been given as the reason for investing in property such glib catch phrases as "bricks and catch phrases as "bricks and mortar," "hedge against infla-tion," or "long term invest-ment." However, to take just one example, there was a total

one of London's leading estate agents, marks a further stage in the financial institutions' invasion of the property world. Christopher Walls argues that the property business must acquire broking and corporate finance skills if it is to avoid becoming the second class citizen of the investment world

Prudential Corporation's takeover of Chestertons Residential,

was a long-term hedge against In addition, financial service inflation. Was property a hedge groups have a natural desire to because of some virtue intrinsic diversify the sources of their to property (and not available fees as much as possible. Their to equilies)? Or was it a hedge

views on the relative attractive to have been guilty of taking ness of different capital martine easy option, of making the ness of quierent capital inc easy option, either because on some of the fees available, it did not want to think about underlying In this context it is worth the principles underlying noting the experience of the US, investment in the property where Merrill Lunch is now in market or because it was real estate broker.

Senior investment managers cular axe to grind to offer are often savage about the sort advice on property, which, of advice they receive on rightly or wrongly, will be properly investment from estate judged to be more objective agents, which they regard as and a good deal more carefully shoddily thought out and lacking any analytical perception.

Where the advice is based sion in the past.

What is lacking is properly considered strategic advice on property—that is, the outlook for investment in real estate in absolute terms and, crucially, relative to other capital markets. At present, apart from a permanently bullish attitude, the advice the properly profes-

sion gives institutions is technical rather than strategic and It is not the technical advice I am criticising.

The analogy with the stock market is that advice from an estate agent at present is rather like advice from a Stock Ex-change deater—the dealer can give a price, size and feel for the market, but he is certainly not going to be giving strategic advice on investment.

Of course, I am not saying slockbrokers do not get it wrong. But at least when we do get it wrong we are seen to be getting it wrong for the right reasons. In the property pro-fession's case it is obvious that when it was getting it right. it was getting it right for the wrong reasons and nobody objected too strongly then. But to aet it wrong for the wrong reasona (as the profession has done in the recent past) is un-

Even those fitms which spend a lot of money on research are, in my view, failing to deal with this fundamental problem. All too often the research is on detail rather than strategy-a classic case of woods and trees. The property profession must wake up to the fact that there are, in Britain alone, two other major capital markets whose interaction has bad, and will continue to have, a major influence on the property market,

As a senior investment manager of a major insurance

company's property portfolio said recently agents' reports on property compete directly with those produced by brokers and banks and at present more faith is being placed in what the brokers are saying. How can the property profession expect to get the strategy on its market right if it does not have some knowledge of the lwo other major UK capital markets?

The root of this problem ties partly in education, in that the profession's training is vocaprofession's training is voca-tional. In my organisation I am surrounded by people with degrees in chemistry philo-sophy, classics, mathematics and thistory, as well as by accountants and actuaries. There is a diversity of background, experience, training and views which does not seem property profession as presently

If the property business wants to compete with merchant banks and the brokers on more equal terms then it must open itself up to other disciplines.

The third main reason why I believe the property world will be invaded by the financial world is that we could, over the next few years, see a radical change in the nature of institu-tional investment in the real estate market. Most investors will by now be familiar with the various schemes currently proposed for the unitisation of property. This carries enormous

implications for the nature of future investment in property and for existing institutional

The fundamental difference between equities and property is the latter's relative lack of liquidity and from this flow many of the other differences, such as the imperfect nature of the market and the valuation problem. problem. Injecting much greater tiquidity into the real estate market will remove one of the single biggest strategic inhibitions most institutional investors have about property, and could revolutionise investment in the sector.

For example, I recently had discussion with about haff a dozen major institutions about their altitude to property investment. I was talking to the people who allocate the cash flow hetween gitts, equities and property. The subject of syndication (unities) and property of the subject of syndication (unities) and the subject of syndication (unities) are the subject of syndication (unities). cation/unitisation came up and was promptly dismissed on the arounds of "lack of control."

When t pointed out that exactly the same could be said of buying shares in GEC or ICI there was a shuffling of feet until someone said: "Ah, well at tensi t can get out of GEC or whatever"—in other words,

However, if my analysis is correct, then the consequence is that the property profession is going to have to acquire broking and corporate finance skillsuntess, of course, it wants to see even more of its business passing into the hands of the financial conglomerates which will shortly be dominating the financial world or unless it wishes to become a subsidiary of those same conglomerates. However this means there must be a revolution in attitudes lowards the structure of the property profession. Otherwise, i will slowly, but surely, become the second class citizen of the investment world.
Christopher Walls is a property analyst at Kleinwort Grieveson Securities

### cies with responsibilities for air polmade redundant and are now suplution, radiochemicals, bazardous plementing a good pay-off with so-

### Nick Garnett looks at whether gloom in manufacturing is temporary Mixed view of engineering decline

be back-making bigger profits next tors bubbling, but the capital goods year and in 1988," said one compa-industries, most of them composed

I think it's about long-term manu-facturing decline and Britain is getting weaker," said another.
The UK's manufacturers, in particular its engineering companies, have been digesting some pretty

ak its deeper than that

unpleasant things about them from at least four separate quarters in the past two weeks For a start, a small clutch of company results and the warnings

about future company performance that bave come with them have sent shivers through the heartlands of metal handling. Guest Keen and Nettlefolds'

share price tumbled 16 per cent on Wednesday as the group revealed some awkward trading trends that had only emerged in the previous two months. The Ti Group, another leading Midlands-based engineering con-

glomerate, yesterday offered up mid-term profits much poorer than the City expected, and its shares also dropped. . .

The scrap metal to machine tool 600 Group, in announcing lower yearly profits last week, warned of further rationalisation, reminding everyone that cuts and closures are not simply facts of the past.

A week ago the latest CBI Trends. Survey showed British manufacturers in general less optimistic than they have been since 1982. Consum-

ny head, assessing prospects for the of engineering companies, were UK engineering industry. less optimistic, At the very least the CBI survey confirmed a downwa trend since the spring of 1985.

This week, the British Chambers of Commerce weighed in with a gloomy view of economic prospects with domestic orders sliding and exports shrivelling up.

A number of industries that are barometers of at least part of the UK's engineering sector have also been recording some distinctly unencouraging statistics for the first six months of this year.

For example the British Forging Industry Association, whose mem-ber companies make 80 per cent of the UK's forging output, is finalis-ing its figures, which will show a 12 per cent fall off m output as against last year. This comes after seven years of remorseless decline.

The National Association of Steel Stockholders is also worried about sales trends among its 350 members. Sales of steel to end users is down 9 per cent against last year.

Finally, the Central Statistical Office's index of production volume comparing provisional statistics for April and May with the first quarter of the year also seems to reinforce the view that demand is alipping across a range of engineering sectors. Vehicles were down 6.5 percentage points, electrical and in-strumentation by 4.5 points, aero-space and shipbuilding by 3 points and metal goods – which includes

TTS JUST cyclical Most of us will er demand was keeping some sec-band tools and fasteners - down 1 companies most dependent on aeropercentage point.

However, the big mechanical engineering sector, which encomneering from process plant to ma- tractors, and the agricultural equichine tools and forklifts, was up 4 ment makers have been emphasis

One view is that this is a cyclical problem. Engineering moved out of the doldrums in 1983 and 1984 but, along with the rest of the economy, is stuck half way through a downcycle which began in the second quarter of last year.

The negative effects of the fall in oil prices - hitting all the engineering sectors serving the North Sea, for example - bave exacerbated this trend before the beneficial impact of lower oil prices can work their way through.

On this view, UK engineering is far too large to be talked of as a homogeneous grouping. Excluding metal production, but including a from ears to computers, engineering in Britain employs 2.2m. Its total sales last year was £88bn, and the UK was an exporter of £30bn worth of engineered goods and an importer of £32bn worth.

Results put market in mood for bad news

passes the broadest range of engi- come a leading world producer of percentage points. Some in the in- ing over the past few months that dustry, however, believe these lat the outlook for sales this year is

But there are two widely different views now within engineering about what, if anything, all this recent, rather bleak news magnetic trail next year. A better perspective on whather the beak news magnetic trail next year. most of engineering is likely to be available when the Engineering Employers Federation produces its economic trends survey in October

The other view, most widely voiced by production directors, shop stewards, suppliers to the engineer ing industry and academics, is based on the belief that most of the past productivity gains during the past few years have been generated by cost-cutting rather than by adopting thought-out policies on where a company's markets really

Research and investment is still poor, and while British companies have worred at finding niche areas in which to live, they are still small whole range of engineered products in world league terms and support

ufacturing base.
I do not know why demand has fallen, says Mr Richard Rawlins of the steelstockholders association But 1 think it is because British manufacturing is continuing to

Risks of cost-cutting. Page 6

### **MAYFAIR LETTING: 5,000 SQ.FT.** AT £30 PER SQ.FT.

Bailey, Posner & Partners, Edward Charles & Partners, and D.E. & J. Levy, on behalf of Ladbroke Group Properties are pleased to announce the letting of approximately 5,000 sq.ft. in their new air-conditioned office development at 100 Piccadilly Mayfair, at £30.00 per square foot per annum to a major international

The remaining accommodation is available in suites from approximately 6,000 sq.ft.

### EDWARD SYMMONS 56/62 Wilton Fload & PARTNIERS 01-834 8454 LONDON MANCHESTER LIVERPOOL ARISTOL URGENTLY REQUIRED

for clients RESTAURANTS WINE BARS in prime locations in Central London

Minimum 1,000 sq. ft. 50 covers Alt enquiries In strictest confidence to M J Canniford. ARtCS

### PAVILION & LEISURE COMPLEX GANAVAN, OBAN, ARGYLL, SCOTLAND Argyll and Bute District Council offer for sale or long lease

in whole or part this outstanding investment opportunity close to the picturesque highland holiday town of Oban. The complex to the picturesque nignanu noiray town of Oban. The complex sitad at Oban's principal beach resort foatures a substantial pavilion and an area of hardstanding for cars and 60 caravans. In the immediate vicinity are sports and boating facilities, hill walking and picnic and play areas. Further particulars etc may be obtained by contacting the Director of Administration, Argyll and Bute District Council, Kilmory, Lochgliphead, Argyll, Scotland (Tel: (9546) 2127, Ext. 279). Closing date for offers is 4.00 pm on Friday, 19th September 1986.



Factories and Warehouses

NEWLY COMPLETED premises on 3 acres. Site of A34 Abringdon, 54 920 to n Factory units with 5,350 to ft. Officer in 2 units liesse or sales, Tel. 0565 750011. Investments For Sale

HIGH YIELDING Property Investments to sale Write Box 16372, Frnancier Times 10 Cannon Street, London EC4P 28Y.

Clubs

from a lower pound, while others look gloomily et the effect on prof-

ROPERTY DEVILOPMENT company involved mainly with commercial and industriel developments seeks ameloganation of close association with amilar organisation. Plense receive to Box 76377, Financial Times, 10 Cennon Street. London 32.29 4.29. COMMERCIAL PROPERTY OFVALOPER with scuno inhotae nanocal exources with scuno inhotae nanocal exources with active site owning property developer besed in the southeast, with a view to immunding expansion. Why wair for institutional forward lunding to commence a scheme—develop il now. Write Rev T6378. Financini Times, to Cannon Street, London EC4P 4SY. HORT LONG TERM turnished offices
W1-available now. 01-734 6883. SUBSTANTIAL COACHWORKS in majo SW London town, 12 000 sq ft. Contac Bridger's Commercial, Epson 41777. COMMERCIAL PROPERTY
Compens operating since 1981 seets
long term capital. Please Ingly to Box
T6379, Financial Times, 10 Cannos
Street, Longon ECGP 4BY

INDUSTRIAL AND COMMERCIAL PROPERTY **ADVERTISING** APPEARS EVERY FRIDAY

Derelopment Sites

DEVELOPMENT SITES Owners of luxury mid andiordehire Farmhouse (3,200 eq 11) on eggros. 2 acres, have glanning permission for conversion of ehreting outbuildings Imore these 16,000 sq 1tt to a Rest Home for the elderly, and wish to diacuss guifight aela or any eensible options. my eensiblo ootiona. Wilde Box 76376, Financia! Times 10 Cannon St. London EC4P 48Y

RIME Industry Warehouse Development src. central Bristot, up to 5's neres. Pacetent location, 150-yeer lease offernd, for details contact British Rail Property Board, 0272 Za191 ent 2776.

Shops and Offices

CITY OF LONGON NEW AIR CONDITIONED

Partitioned & Furnished, 5,500 Partitioned & Purificial 3,300 or 11,000 sq ft with immediate occupation. 1-3 years Let Write Box 16375, Financial Times 10 Cannon St. London EC4P 4By

INGSTON TOWN CENTRE, e.100 so n office appear to let. Rent 14 50:50 n Contect Akebin Ltd., 01-566 4908. CONTECT ARCDID LTD. U1-506 4908.

A WELL-LOCATED Office Sure in North Harrow comprising of some S00 sq n. situated on 2 floors and 28 000 sa. being someth Viewing on nocolumners through Mr. Harding in Becketts. 01-627 6327.

UNBURY. Freehold office development with consent for EQ QOO so it biss 182 for spaces, of specific interest to Downer-Occupiers. Please reply to Box 16378, Finencial Times, to Cennon Screen. London 2C2P 8BY.

TO LET. NENL2Y-ON-THAMES. 30.000 nd fl office light industrial with hi-tech potential. Also 15.000 sq ft similar spet. Philip Nortis, Q401 S7 6550.

International

USA INVESTMENT

**OPPORTUNITIES** MBD (Group) is the largest largest clearing house for Foreign Investment in the USA. Will send free information on "THE FIRPTA ACT" and other pertinent aspects of international Investment along with datails on MBD and all the other

> Enquiries from principals only to: MBD-f Box 2344

FORTUNE HOUSE High Street South Norwood SE25 from 1,500sq ft up to 12,300sq ft Modernised, Open Plan Office, Cai Paiking Rent from £4sq ft **FEINER** deSMITH Tel: 01-734 3931

REQUIRED COMMERCIAL AND/OR INDUSTRIAL PROPERTY Investment package, up to Elbm.
Ideally Sharea of Companyins;
owning above would be precitable.
Commission paid whore agolicable.
Funde immediately available.
Anthony E. Hutton, FRICS
14 Pail Mail, London SW1Y SLU
Tel: 01-499 0374

Legal Notices

IN THE MATTER OF RIMSGEE CIMITED AND IN THE MATTER OF THE COMPANIES ACT 1985

NOTICE IS HEREBY GIVEN that the treditors of the abovenamed Company, which is being voluntarily wound up, are required, on or before the 15th dey of August, 1986, to send in those did the send and aurnames, those addresses and descriptions full certiculars of their solicitors and the names and addresses and descriptions for the names and addresses and descriptions and the names and addresses and descriptions of their Solicitors til ann), to the undersigned PATRICK V/ALTER JOHN HARTIGAN of 1 Wardrobe Pizzo.

Carter Lane, London ECAV SAJ the Liquidator of the eard Company, and, if so required by notice in writing from the said Liquidator, are, careonally or by their Solicitors, to come in and grown those debte or claims at such lima and gluce as shell be specified in nuch notice, or in delicult thoreof they will be excluded from the benefit of any distribution made before such debte are groved.

Oetad the 15th dey of July 1986.

P. W. J. HARTIGAN, FCCA, Liquidator The Notice is purely loteral. NOTICE IS HERERY GIVEN That the

The Notice is purely lormal, All known Creditors will be or heve been and in full.

IN THE MATTER OF GRANDMIX LTO. (lormerly arioge Medical Direct Limited) and in the Matter of the Companies act 1985

THE COMPANIES ACT 1985

NOTICE IS HERRBY GIVEN that the creditors of the above-named Company, which in boing voluntarily wound volust articles are the second of the second in the second of the secon

### **GENEVA** SWITZERLAND

**Full Service** is our Business

 Mailbox, telephone, telex end referoper services Translation and secreterial services

Formation, domiciliation and admin-istration of Swiss and foreign com-

Full confidence and discret **BUSINESS ADVISORY** SERVICES S.A.

7, rue Muzy, 1207 Geneva

Tsl: 36 05 40 Tx: 23342 Faa: 88 06 44

### AFTER FALLING sharply for two days in a row, the London stock market is now in the mood to look for bad news. Poor results from Guest, Keen and Nettlefolds and TI in engineering, topped off with dis-

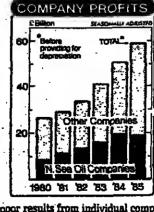
make some stockbrokers look anxiously at their profits forecasts. "We are starting to get more and more nervous," said Mr George Hodgson, economist at broker Scrimgeour Vickers, "Any hopes of a third quarter recovery have been wiped out and we are starting to worry about the fourth quarter.

appointment at the performance of

Barclays Bank, have started to

a mark to the state of the stat Scrimgeour revised its forecast for profits growth in the company sector, excluding oil companies, downwards in May. It now expects the table of table o an advance of 15 per cent this year and next, compared with its earlier prediction of 32 per cent in 1986 and 78-3-20 Mar. 27 19 per cent in 1987, but Mr Hodgson is considering a further downwards

Section of the sectio Other brokers, however, were never as optimistic as Scrimgeour the buffers," he says. casts, despite the recent bout of crude oil price and the weakening The state of the s



poor results from individual compa-

At Phillips & Drew, for example, Mr Bill Martin has reaffirmed his earlier forecast of 16 to 17 per cent profits growth this year, slowing to 11 to 12 per cent growth in 1987. The renaissance of profits wit-

nessed over the past few years is well on track and is not heading for about the prospects for profits

The renaissance does not apply to growth this year and for the most all companies. Oil producers. part they are sticking to their fore- pinned between the collapsing

dollar, are likely to see their profits In addition, financial companies, halved this year, according to many which are not included in the Govanalysts, and this severe downturn ernment's statistics, are widely exwill affect the picture for companies

Official statistics show gross trad-ing profits of industrial and com-parts, which should boost profits for mercial companies in the first quarter 4.6 per cent below the same quarter of 1985. This figure encompasses a 40 per cent fall in North Sea oil companies' profits but a 16 per cent rise for other companies.

It is a thankless task to try to relate these official figures, which end up covering over 100,000 companies, to the stock market. Within a stockbroking firm, it is often equally thankless to try to match the economists' forecasts of corpo-

little too pessimistic and the sector

economist at broker James Capel.

whose overall forecast of 11 per

cent profits growth for non-oil com-

panies is at the low end of expecta-

analysts too optimistic in the fore-

sectors they cover.

the stock market as a whole. The two main elements to profits growth are volume and profit margins. Confidence in the first bas weakened, as evidence of an economic slowdown in the first and

pected to turn in much better prof-

its growth this year than their in-

"Input prices are still falling, while output prices are rising sharply by comparison. This means rate profit growth for the whole a significant widening of margins, economy with the predictions of in- even though unit labour costs are dividual analysts for the company rising rapidly," says Mr Andrew sectors they cover.

Smith of broker Laing & Cruick-

second quarters has mounted, but many analysts remain confident of

The economists are usually a shank. A further factor is the exchange rate, which has contrary effects. casts, says. Mr Keith Skeoch, chief Some analysts prefer to look et the benefits to UK exporters resulting

its from overseas subsidiaries.

services that we offer. Boston MA 02107 USA

TODAY, MORE than ever, the pet recurred nightmare of many a corporate chairman begins with a telephone call warning that his company is about to become the object of a hostile takeover attempt. For K. Brooks Abernathy, then chairman and chief executive officer of Brunswick Corpora-tion, the Chicago-hased leisure and Industrial products group, the dream became reality on Jennary 24 1982—in the closing stages of Super Bowl XVI between the San Francisco 49er and the Cincinneti Bengals. The call to Abernathy was from Joseph Albrandi, of the trom Joseph Albrandi, of the Los Angeles-based Whittaker Corporation, The hid was \$26.50 a share, worth \$275.6m, plus an offer to huy \$30m in convertible dehentures. In Brillswick's view, what Whittaker was really after was its Sherwood Medical Products Division, ettractive to Whittaker to comploment its modical dis-

to comploment its modical dis-tribution husiness. Within six weeks, the com-pany had adopted the so-called scorched earth defence policy in a hid to retain its independence, disposing of Sherwood to American Home Products in a

American Home Products in a stock swap errangement valued at \$425m. All proceeds from the deal went into Brunswick shareholders' pockets.

Forty-five deys later, Jeck Reichert, who had served a 25-year apprenticeship in the company's howling and Mercury year apprenticesing in the com-pany's bowling and Mercury marioe engines divisions, was in cherge as Abernathy's suc-cessor. "I was given fifteen minutes notice before the sharehoiders' meeting," Reichert observes, with the air of a man observes, with the air of a man who hes told this tele many times before. "They asked me if I would like to give an introductory eddress. I told them, no, I thought that could wait."

But he kept them waiting for only a month before announcing one of the higgest shake-ups in the group's 187-year history.

in the group's 137-year history. Decentralisation was the corner-stone of his plan. Since beginning life as a Cincinnati woodworking shop founded by Swiss immigrant John Bruns-wick in 1845, the company hed wick in 1845, the company ned cast its net wide. While leisuro industries (in the early years, billiards and bowling) had alweys provided the leitmotic of its portfolio by 1982 Brunswick had diversified into several specialised activi-ties hesides medical products, including defence, valves, fil-tration technology and mass transit components.

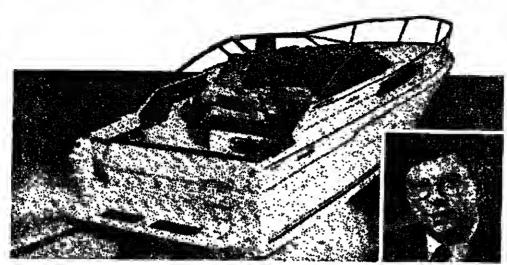
Iransit components.

In particular, the company had emharked on a spending spree fuelled by the bowling boom of the late 1950s. Acquisitions from this period included the Zebco fishing reel division and Mercury.

When Palekant task the company

## A 'scorched earth' survivor rebuilds

David Owen reports on the Chicago-based Brunswick Corporation



Jack Relchert: enjoying a buoyant market for Mercurcy marine engines

4 per cent of Brunswick's total sales revenues. Today, that figure is nearer 180. "Corporate people don't creete wealth, stresses Reichert, by way of enforce rigid standards of explanation. "The operating quality control, he reasoned divisions do. Corporate staff that the group should quickly just preserve wealth and, where he able to re-establish a modinecessary, reallocate it."

In reducing corporate staff numbers, Reichert simul-taneously took his are to the company's cumbersome 10-tier supervisory pyramid. First to go was his own previous position as vice president and chief operating officer, which he equates to being vice president of the US—"not a terrihly excit-

Brunswick's eight divisional heads were told to report direct to him and notified that their level of corporete spending authority had heen hiked by enything from four to ten times. "I look et each divisional manager as president and chief operating officer of his company," says Reichert. "The guy who runs Zebco thinks he spiritually owns it. You just don't get that in a centralised environment."

In assessing Brunswick's condition after the disposition of the medical division, Reichert when Reichert took the helm, the number of corporate staff who considered Sherwood to be presiding over this far-flung empire had swollen to 550. Together, they consumed about the mental flysker, Reichert primpointed one circumstance generally overlooked by analysts who considered Sherwood to be the "crown jewels" of the company—namely, its position as Together, they consumed about

of mature markets. If he could ally the benefits of this advantageous position, with the fruit of a drive to reduce costs and cum of financial security.

He was right. After struggling through 1982 with a loss from continuing operations of \$19.8m, 1983 earnings totalled \$66.1m - close to tho 1981 record. The record would have heen broken, according to Reichert, but for the \$2m cost of a share handoot to the company's employees. "Our people now own \$27m worth of our stock," says Reichert with evident pride. "The stock price is posted on union bulletin boards every day. If you own something, you don't hurt it." Certainly, that initial \$2m investment seems small beer today; much improved productivity beloed propel net earnings just heyond the \$100m

As important for the sake of Brunswick's future indepen-dence has been the surge in the company's market value. Immediately after the Sherwood divestment, the group's out-standing 11.7m or so shares could have been picked up for as little as \$165m.

mark in 1985.

Today, with Brunswick stock Nor has the surging yen done hard to fi split 4:1 since Reichert's take- any harm-although Reichert dilutive."

New York.

maintains that Mercury would still be competitive with Yamaha, the main Japanese manufacturer and a former joint venture partner, at e 190 to 200 yen-dollar exchange rate (it is currently at 154), a stark turnabout from the situation in 1983 when the Japanese com-pany, an outright competitor for the first time, enjoyed a 30 per cent cost advantage.

Approaching the fifth anniversary of Joseph Albrandi's telephone call, Brunswick's main cause for concern, apart from continued losses in its bowling equipment and supplies division and an oil-related down-turn in the valve husiness, appears to be its heavy reliance on Mercury Marine.

Despite positive contributions from Zebco and the defence division (the company is a dominant supplier of camou-flage, portable shelters, and radomes on long-term con-tracts). Mercury in 1985 eccounted for over 51 per cent of net sales and exactly twothirds of operating earnings. While projections for the division remain positive et present the leisure sector can be notori discovered to its cost when the bottom fell out of the bowling market in 1962.

Improved sales in the eerospace/military sector, which accounted for 20 per cent of husiness in 1985, should, the company hopes, help the valve and control division at least partially to overcome the slump in oil industry demand. The emphasis in the Bruns-wick division, meanwhile, is on

expanding international mar-kets, together with an accelertime, "That's the kind of thing kets, together with an acceleration makes a pretty takeover ated restructuring programme picture." Says Reichert in retrospect: "I think the main defence and cutting costs in a sector and cutting costs in a sector." where the scope for product innovation is now limited. While Reichert feels that the

looey Brunswick has invested in lowering costs "should heip eliminate the troughs," it is a problem which the company recognises. "We would like to strike e hetter halance by building returns elsewhere," says one okesman. Ultimately, this equilibrium

may be achieved by acquisitioo.
We are generating more cash than we can intelligently use," says Reichert. "However," he ent young professionals, it seems, tend not to opt for the bottom of the range wheo huystresses, "we won't milk our husinesses to huy into new areas." Defence and leisure are bottom of the range wheo huying their first outboard motor.
This benefits Mercury, which
specialises in anything from 90
hp and above. With US retail
boat sales up a further 25 per
cent so far this year, the marine
sector is likely "to continue to
be a standout performer,"
according to Steven Eisenberg,
an analyst with Bear Stearns in the two sectors earmarked hy most for prospective Brunswick sorties. "We are the lergest bowl-ing services operator in the world," hints Reichert. "I would think it is logical for us to hrosden into leisure services." The problem is, as another

company executive pointed out, that, with Brunswick's return on an analyst with Bear Stearns in hard to find something that Isn't | No-nonsense management deve-

**Productivity** 

### The risks of cost cutting

BY NICK GARNETT

PRODUCTIVITY improvements sought solely by traditional cost cutting methods rarely improve a company's real competitive-ness and in fact usually narm it.

This is the main conclusion of a disturbing analysis of 25 US companies. It highlights the conundrum that cost cutting usually results in only a trickle of genuine prodoctivity improvements. Companies simply cannot reduce costs to the extent of recapturing competitiveness and the process usually hurts as much as it helps, says tho study's anthor, Wickham Skinner, a Harvard Business

School Professor of Business Administration\*. "It (cost cutting) is an instinctive response that absorba mana-gers' minds and diverts them from more effective manufac-turing approaches," saya

Though the study confines itself to the US, its conclusion could be epplied to large chunks of British and some other European manufacturing and is one that the better British factory managers have known for some time.

Seizing on inefficiencies and
waste es e route to better productivity has been the strategy
most keenly adopted by British

most keenly adopted by British manufacturers during the hard times they have gone (and many still are going) through.

Yet their productivity as measured by output divided by the lebourforce still remains stubbornly below many of their foreign competitors, even accounting for utilisation of

rectoring for unisation of factory capacity.

That the sums have not appeared to work out the way they should has generated an ever shriller cry from Government ministers, the CBI and other employer pressure groups

that the fault lies embedded in wage costs. It clearly lies as malysis other things suffer, such an approach hinders innomangers look at their business. The harsh fact is that generations of production managers have been stunted by this effi-ciency-driven mentality." says

The study purports to show in the US context why the more limited approach can be dis-estrous. Chipping away at productivity is mostly concerned with direct labour, "although direct labour costs exceed 10 per cent of sales in only a few industries."

The approach focuses excessively on the efficiency of factory workers, detracting ettention from what is often the real nuh of a company's difficulties —the structure of its production

No support

It also tends to ignore other ways of improving competitiveness like quality, reliability, and better production flexibility and does not provide for or support a coherent manufacturing

"Most of the productivityfocused programmes I have seen
blithely assume that competitive
position lost on grounds of
higher cost is best recovered by installing cost-reduction programmes. This logic is tempting but wrong," argues Skinner.
"These programmes cannot succeed. They have the wrong targets and misconstrue the nature of the competitive challenge, they are guaranteed. nature of the competitive chal-lenge they are supposed to address. Worse, they incur-buge opportunity costs. By tying managers at all levels to short-term considerations, they short-circuit the development of an aggressive manufacturing strategy."

and constraints drive both pro-duct and corporate ctrategy, flexibility gots lost, as does the ability rapidly to introduce product changes or develop new products."

Another flaw in the way productivity is sought by simply lowering costs is that there is frequantly a clash between this measurement of productivity and the cost demand of inno-vation, argues Skinner. "Mana-gers under relentless pressure to maximise productivity resist inmovation. Preoccupied as they are with this week's cost performance, they know well that changes in processes or systems will wreak havoc with the results on which they are measured."

Brutal pursuance of output with little consideration for anything else also creates a poor working environment. It creates a "negative, pennypinching, mechanistic culture in most factories—a culture that has driven out end kept away

has driven out end kept away creative people at all levels." Some managements might view that last point from Skin-ner as naive. Many of the fea-tures he would like to see in manufacturing plants can be most readily found in Japan but are often accompanied there by pretty harsh output orientated working environments.

Manufacturing strategy, says Skinner, should follow a logical study of e company's markets and products and its requirements among other needs in terms of plant location, equipment, production and inventory control systems and workforce management policies.

\* The Productivity Paradox Harvard Business Review. July-August, 1986.

### **Business**

### courses

Management accounting, Brussels. September 8-11. Fee: Non-members BFr 82,700; members from Management Centre Europe, Posthus 95, NL-3417 ZH Montfoot, The Netherlands. Tel: 32/2/516/19.11. Telex: 21917 mce h.

opment for women: unlocking

### women's potential Brunel. September 10-12. Fee: £650 per Details from the secretary, Management programme, Brunel University, Uzbridge,

Middlesex UBS 3PH. Tel.: 0895 5646I. ext. 215. making: the need for informa-tion, Monte Cario. 39th ESOMAR Congress, September 14-18. Fee: ESOMAR members 745; 940. SWFr 745; non-members, SWFr 940. Details from ESOMAR Central Secretariet, JJ Viottastraat 29, 1071 JP Amster-

100 mmufacturers and sup-pliers. It also covers robot terminology and selection

Selection is based on user-

besection is passed on asser-defined requirements for welding, finishing, material handling and machining appli-cations, embracing horizontal/

vertical reach, tolerances, weight capacity and other

parameters.
The SME claims that Robot

The SME circums that nonvercale 2 sharply reduces the time needed to understand the terminology, phone the makers, read all their literature and sift through the specifications. More from the

specifications. More from the Society in Dearborn, Michi-gan, on (313) 271 1580.

MOULD SURFACE inclusions

MOULD SURFACE inclusions such as labels, coatings and decoration are traditionally added by additional processes after the plastic forming operation.

However, these items can

be part of the moulding process itself and Battelle, the Columbus, Ohio research group is planning to assess the latest developments in a mulifclient study for a number of companies in the No.

multiclient study for a number of companies in the US, Japan and Europe.

Other items that might be added during the basic forming are electromagnetic shielding layers and printed circuit boards. There are clear prospects for production cost reduction says Battelle, since no further processes beyond those in the moulding operation are needed.

companies can join the 12 month study for \$3,500 and more information can be obtained from the London

office on 01-493 0184 or in the US on (614) 424 7984.

LOCAL AREA networks, or

LANs, mainly associated with office automation, now

seem set for market growth on the factory floor accord-ing to a study by Frost and Sullivar, the New York and

methods.

dam, The Netherlands Tel; (020) 64.21.41. Telex: 18635

15th International symposium on automotive technology and automation - with particular reference to computer integrated manufacturing, Switzer-land. October 6-10. Fee: Registration SwFr 1,100. Details from ISATA Secretariat, 42 Lloyd Park Avenue, Croydon Surrey CR0 5SB, England, Tel; 01-680 8659/01-686 7026. Telex: 28905 Monref 2592.

### TECHNOLOGY

over, the price would be \$1.55bn

its offer for the company, the stock was actually selling at e

discount to hook value. As one analyst remarked at the

egainst takeover is to run a company so well that nothing

can be gained from breaking it

Of course, growth on this scale could not have been achieved without a certain amount of good fortune. Brunswick's lucky streak has been the

continued strength of the boat husiness worldwide. Even the

demographics — the so-called Yuppie effect — ere working

The swelling ranks of afflu-

in Mercury's favour.

or around three times book ne. When Whittaker made

## The elusive value of scientific spin-offs

CAN THE economic return from scientific research be measured? In recent years this question has preoccupied tech-nology administrators in much of the Western world, both in government and private

In particular the British government has recently shown interest in assessing economic spin-offs from research, both to determine which schemes show the greatest commercial results and as a guide to the type of research and development (R&D) activities to back in the

Efforts to find simple quantitative links hetween reasearch end economic well-heing mey, however, be doomed to failure, according to e study by the US Office of Technology Assessment (OTA), a research erm of Congress. Addressing US Government - funded research, the study\* says "using economic returns to measure the value of specific or general federal research oxpenditures is an inherently flawed approach." In the US industry, research managers are, says the report, generally sceptical of quanti-tative techniques to evaluate technicel programmes. Managers find them to be "simplistle, inaccurate, misleading and subject to serious misinterpre-

Peter Marsh on the difficulties faced in returns from research

may be extremely complicated. The pay-offs from the applications mey be "too diverse and incommensurable". to allow quantitative models to take the place of mature, informed judgment."

Economists heve tried for years to link R & D to economic indicators such as productivity increases or geins in gross domestic product.
In specific areas such as agri-

culture, aviation and health care, a series of US studies have attempted to show the relationship between levels of government research spending and, for instance, crop yields, aircraft sales and general economic benefits through fewer people being unwell.
Other work has attempted to
show the US economy has
benefited from space industry

spinoffs."
Though such studies have some value in illustrating general trends, any quantitative results should he treated with gers find them to be "simplistic, inaccurate, misleading and subject to serious misinterpretation."

The report makes the point that the path hetween the gestation of ideas at the research stage and their application in a new product or process

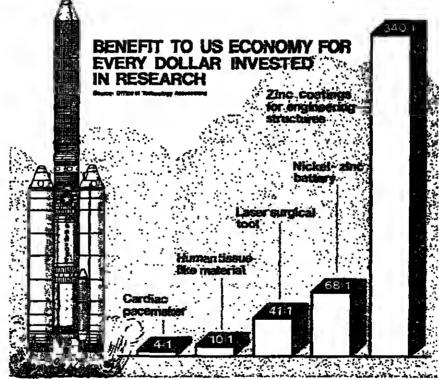
Rather, says the report, the research may be socially desirmeasuring the economic eble or may be thought to lead to substantial economic spinoffs in the future, but be too risky for private industry to

nisky for private industry to heck. Alternatively, at least part of the reason for the research may be to bolster national prestige—as in the US space programme. In industry, according to the OTA, surprisingly few companies use quantitative techniques to evaluate research. Methods like these could con-Methods like these could con-sist of efforts to link R & D with specific indicators such as increased profits, new products, corporate image or recruitment. Such techniques, however, have little practical value. They fall to take into eccount the myriad of fectors that enter the research process. These include the personalities and skets of individual technologists and how their efforts are applied eisewhere in the company, for instance in the marketing and

product-planning departments.

The OTA concludes that, hoth in government end in industry, it is difficult to evaluate research through anything research through anything other than qualitative methods. These may comprise little more than sequences of meetings between the people doing the R & D and those paying for it, in the bope that the interaction between the two groups will guide the research towards defined targets.

Although the report focusses



Figures refer to notional benefits from each invested by industry in technologies derived from the US space programme

spending is about \$1100n a year
—split roughly evenly between
govornment and industry—it
may have particular relevance
to Britain, where the government has recently started two
activities aimed at figling
formal methods to evaluate

The a senarate mays, the be substantially complete by

accounted for roughly half the
Advisory Council for Applied
Research and Development,
Which reports to the Prime
Minister, has commissioned
Segal Quince Wicksteed, conernment research programmes
suitants, to identify how to set
on the subject is expected to

Earth from Space—a Programme in Crisis, National Research Council, 2101 Constitution Av NW, Washington DC 20418.

the planning of a coal slurry pipeline in China. A geology exploration company saved \$750,000 on conventional surveying costs by using space photos to evaluate an oil find in Michigan, while mapping organisations all over the organisations and over the world have produced or up-dated maps with the aid of Landsat when, often, no alternative way of gaining

### electronics consultants -design and problem solving intristand brocht reon teglis. ELECTRONICS CONSULTANTS CERENCE ASSOCIATES 0273-414620



TRUNKING SYSTEMS for band 3 mobile communications working, devised by Philips Radio Communications Systems, have been

45 MHz frequency region. Using trunking, Pye will make best use of the new mobile channels made available.

channel gives secure conver-sation not just with the fleet despatcher, but with other mobile users within the fleet. When the conversation is finished, the channel becomes free for further affocations. Pye is in Cambridge, UK, on 0223 61222.

### WHY A BROADER COMMERCIAL PICTURE SURROUNDS SNAPSHOTS FROM SPACE

REMOTE SENSING — taking pictures of the Earth from onter space — is a particularly intractable subject for people trying to measure the economic spin-offs from research spending. Direct economic returns from remote sensing are negligible — but sensing are negligible - but sensing are negligible — out the technology has had a number of wider effects, which though difficult to quantify, have led to considerable henefits.

Since the early 1970s, the US Government and private industry have invested more than 51hn in the country's Landsat remote sensing satellites, two of which are cur-rently in operation. The volicles, which orbit over the North and South Pole so they

cover the entire surface of the Earth, record both photographic and infrared images of the land and sea and send this information to receiving stations via radio waves. Direct revenues from the programme, in the shape of proceeds from sales of data to customers such as mapping or furning analysis.

farming organisations, are tiny — no more than about \$20m a year, or roughly a tenth of the running costs for the system. Nonetheless, the wider payoffs from the space snapshots are considerable, in both economic and social terms,

and are more than enough to justify the huge costs of set-

ting up and running the

Landsat programme. That, at

any rato, is the opinion of the space applications board of the US National Research Council (NRC) in a study on the US's remote-sensing

The Landsat satellites, formerly the responsibility of the National Oceanic and Atmospheric Administration. are now operated hy a private body called Eosat, owned jointly by Hughes Aircraft and RCA, the telecommunica-tions company. The consor-tium has been given a government subsidy of \$250m over five years to defray the expenses of running Landsat. According to the NRC's report, the Landsat pro-

gramme was "never designed

as an onterprise that would make money in the usual com-mercial sense." Rather, it was set up to demonstrate the feasibility of a new tech-nology—a goal that has been achieved.

Ironically, the Landsat exercise stimulated other nations, chiefly France and Japan, to start similar programmes and these countries may soon overtake the US in applications of remote Although the direct com-

mercial proceeds from Landsat are small, indirect economie benefits are much higger.
According to the report,
Landest information should

he considered in the same way as data from the US Census. While the Census provides demographic information useful in a wide variety of business and academic activities which would function less well without it, "data about the suface of the world has hajor or minor uses in thousands of suniferions" thousands of applications,"

To illustrate this, the report discusses a number of ways where Landsat data has where Landsat data has benefited commercial projects. Potato farmers in Oregon have, for example, monitored growth of their crops using the space snapshots—this has helped them to pick the vegetable when in pack condition. peak condition.

In other examples, Bechtel, the US engineering company, used Landsst data to help in survey information was avail-

able. Remote Sensing of the

### Screening given to major robot suppliers ROBOT SELECTION becomes easier using microcomputer software called Robot Calc 2, from the Society of Manufacturing Engineers in the US.

London market research group.
The driving force is MAP. or mann acturing automation protocol, an initiative led by General Motors.

The restratot is that robots are "not being shipped and installed at the rates Running on an IBM personal (or compatible) computer, this database contains information about hundreds of industrial robots from over



suggested by the publicity surrounding them."
Even so, the study predicts that over 1m machine tools, robots, programmable con-trollers and similar items will be connected to 41,000 LANs by 1989 in the US

Arts

enoitidid

٠,

alone.
Factory LAN market growth will average 25 per cent a year till 1989, the market value rising from \$100m to \$431m in the US.
Tho Factory LAN Market, report 1477, costs \$1,800.
From Frost and Sullivan, New York on (212) 223 1080 or in London on 61- 325 3190.

announced by the UK Philips subsidiary, Pye Telecenmunications of Cambridge.

Band 3 was until recently used for the now defunct 496 line television service in the 45 MHz fragments region.

in trunking, no user has a channel of his own as in conchannel of his own as in conventional systems. Instead, channels are dynamically allocated by computer as they are needed, so that the available channels will serve more users. Once allocated, the channel gives secure conversation not that with the first To date of the property of the

 $\frac{V_{ij}}{1+2i} = \frac{1}{2}\frac{i\sigma_{ij}}{2\sigma_{ij}}$ 

Trees of the man long.

Michigan Company

mark to the

56

1944 Sauti C. C.

·墨西南 (14) (14) (15) (15)

16 11 2 11 12 11 1 15 11 11 11 11

4 .... w.P\*

Agent with the

edical

The second secon

STATE STATE

W Angert Ship

TOPHER LON

### Cinema/Nigel Andrews

### A Rambo by any other name

Cobra directed by George P. Cosma-Yellow Earth directed by Chen Purple Haze directed by David Bur-

ton Morris

Nicholas Ray films King Kong directed by Merian Cooper and Ernest Schoedsack Survivors - The Blues Today directed by Robert Schwartz and Cork

Whatever sort of a name is "Sylvester." for today's leading macho man in the movies? Contemplating Cobro, in which Sylvester Stallene takes on virtually the entire criminal werld ef Los Angeles and in which the policeman hero's first name is Marion (Marien Cebretti, hence "Cobra"), one is tempted to agree with Shake-speare's Juliet when she said, "What'a in a name?"

But ef course there is plenty But ef course there is plenty in a name. For what greater challenge could there be for a macho-man than to overcome such a nomenclature?; just as Napoleen overcame his shert stature and Nelson his tendency te bave one of everything rather than two? The milguetoast and predictable shoot-em-ups name is, for modern Moviedom, around town, the second half the equivalent of the old has Marien and the lovely Western Hero who is still a state's witness be is protecting

counter
The other connotation of The other connotation of "Sylvester" is, of convse, a entire—army of leather-clad cartoon one. Sylvester was the jet black cat with a speech problem who made hife hell for one Tweety Pie, a canary. With desk the reception of the problem who made him the entire—and I mean the landscape pritted how much colour and wishly and character with the problem who made to fill it. one Tweety Pie, a canary. With these imperatives going for him — the need to live down a first name suggestive partly of a palm court yupple, partly of a cartoon cat — no wonder

onto the city atreets, singly or have the right to remain silent" out of Jimi Hendrix sons, to in groups, to commit sociopathic crimes. Only one man can deal him. When the Los All this to prove that though In the ryo? Catheher?)

carefully calculated particulari-ties to the general urban grandeur of Londou's largest concert space.

burgh ambience (with the hints of cosiness and partisenship that tended to go with it) and transported to an environment

where the sound-sense of the music could be newly enhanced, Curlew River emerged gleam-ing, hard, taut, and heautiful—

Angeles Police Department is the hero's name may be Marien, stymled by, say, a supermarket he is not—definitely not—the killer, the murmur gnes out: Marion kind. Call the Cobra." Enter Marion.

to afferd an excursien ticket to Victnam. Stallone decides to destroy the vermin on bis own deorstep. But first he bea to find or invent them. The elaborate freemasonry of nutters developed by the film (loosely based on Paula Gosting Paula Gostin ling's novel A Running Duck) is quite the silliest excuse for a villain, or collective villain, I have seen from any Hollywood

movie. After a first half and sundry man's man even when he orders (Brigitte Nielsen, aka Mrs milk or soda pop at the saloon Stallone) holed np in an counter. Out-of-town motel. Hither ride out the entire-and I mean the n bowling alley as man hy man, bike by hike, the "sickos" as the film likes to call them bite the dust: courtesy of Stallone and his one-man arsenal,

Curlew River/Albert Hall

Max Loppert

with an eld man, fall in leve per culture.

with the seldier? Will the soldier be able to tear himself away from her and her family, make today's art-house pap. The dier be able to tear himself away from her and her family, with whem he is billeted, when his mission ends?

Hailed en last year's festival circuit as a breakthrough movie from Chinn — out of the strait-jacket of Communist propaganda into art and humanism
— Yellow Earth seems rather
less then that. The soundtrack
choruses run te such champegne
lyrics as, "Life is hard for
these seasonal workers," and
the film is shot through with
message-mongering: "Cbairman
Man wants the page to have a Mao wants the peer to have a better life," says the hero, and ether bromides te that effect. One comes awny bumming the landscape — meuntains like pitted hones, deserts of dry mud coloured purplish-brown and wishing that a livelier plot and characters had been found

and characters had to fill it.

Better Yellow Enrth, however than Purple Haze. Five years old, this hymn to the 1960s love-and-peace movement, no written and directed by David Burton Morris, has all the a charm and potency of yesterday's marijuana joint. It sarch nostalgia and the its arch nostalgia and shredding Fey Wray's dresses. Or you may sample Survivors—The Blues Today, wherein makers black and white hiues are not to fill it.

Tich vermanation of America's postward peace end plentitude.

Elsewbere this weck you may enjoy the return of K. Kong, 53 years old this year and still enthuslastically fighting brontosanti, climbing skyscrapers and shredding Fey Wray's dresses.

Or you may sample Survivors—The Blues Today, wherein makers black and white munitles to the torch.

In Cobra he is no against a large masonic gang first. seen clinking axes in an unidentified onto the city atreets, singly or in groups, to commit sociopathic crimes. Only one man can deal of the color of the city atreets, singly or in groups, to commit sociopathic crimes. Only one man can deal of the color of a private show down with the Cohra in a charm and potency of yestermuch chasing, our hero finally against its arch nostalgia and sophomorie wisdom in everyone thing from the title, tweezed out of Jimi Hendrix same to the city atreets, singly or large the color of the city atreets, singly or large the color of the city atreets, singly or large the color of the city atreets, singly or large the color of the city atreets, singly or large the color of the city atreets, singly or large the color of the city atreets, singly or large the color of the city atreets, singly or large the color of the city atreets and directed hy David Burton Morris, has all the charm and potency of yester-day's marijuana joint. It figures the color of the city atreets, singly or large the color of the city atreets, singly or large the color of the city atreets, singly or large the color of the city atreets and potency of yester-day's marijuana joint. It figures the color of the city atreets are color of the city atreets and potency of yester-day's marijuana joint. It figures the color of the city atreets are color of the city atreets are color of the city atreets are color of the city atreets.

Matt, dropping oet of Prince ton in 1968, returns heme to Minneepolis to quarrel with Mum and Dad (so loving but

"Call the Cobra." Enter Marion.

A dark-glassed figure he, garbed in black, packing a Magnum or submachino gun er six-pack of band-granades. Or all three.

"You're the disease," says Marion to the cornered criminal, in a veice dredged up from hla stick-a-soles, "and I'm the cure." Bang. And the anti-social element is eliminted, leaving the world safe for supermarket shoppers.

"Call the Cobra." Enter Marion.

\*\* Goodness knews what they so un-understanding) and to would have made of the Cobra pal up with drug-addicted in Chlna's Shaanxi Province in schoolfriend Jeff. Interminable duelegues about life and drugs and idealism ensue. Then eventuelly Mntt and Jeff are not to Vietnam, end the film plays its nwn game of Russian Roulette with whe will live and whe will dle.

A game far cruder and more distasteful than Cimino's games for supermarket shoppers. for supermarket shoppers.

It rar from the din of the SinoJapanese war, they till the land,
sing their songs and evince their
lamentable but touching Ignoramentable but touching Igno

film shows us that compared te the acif-adering sanctity ef much ef 1960s America—and the souvenir industry later film makers have made of it—the hershly realiatic 1980s do not aeem so bad after all.

Nor do the 1940s and 1950s. Nicholas Ray's compelling films from that era—weird Westerns (Jehnny Guitar). racked meledramas (Bigger Than Life), tenebrous thrillers (They Live By Night)—are now on view at the National Film Theetre. Ray ended his commercial career cranking out elephantine epics in Spain (King of Kings, 55 Days In (King of Kings, 55 Dnys In Peking), n favourite filmic form of exile with hard labour in the 60s. But in his hest years befere that, he tapped into a rich vein of neurosis and anarchy lying just below the surface of America's postwar peace end plentitude.

show that the blues are net dead but Dolhyised. Mellifluous



Sara Kestelman, Sally Dexter, Eve Adam and Roz Clifton

### The American Clock/Cottesloe

emetienal centre.

### Michael Coveney

can Clock ciosed after 12 per-formances on Broadway in 1880. Three yeers age its British première at the Bir-mingbam Rep made little im-pression. It helengs, like mest ef Miller'a plays since The Price in 1968, to an era of n reputation in decline. Miller himself is certhing about Broad-It is an ensemble event opening with the financier's 1929 recommendation to his shoeshine boy te sell up his stock.
We zoom in en the Beum
family, in which two cousins,
Lee and Sydney, are shown respectively struggling te win e cellege place and write a hit tune. Our visitatiens to this family are almest phantasme-geric, outlines ef what happens emerging amid a welter ef Depression songs (Mr Wood's higgest structural innovation) and e series of vignettes, re-flective monologues and even an auction in Iowa at which the the narrator of this kaleido-sceple documentary fiction says farm workers try to lynch a judge and buy back their land for a dellar.

turned into a movie. This everyene enjeyed. But when will life be real again?

The first thing to assert about Peter Weod's production for his own National Theatre group is that it reaffirms Miller's reputation at a stroke and suggested to the production of the stroke and suggested the production of the stroke and suggested the stroke and sugge You can see hew that episode, and others, might seem awkward or obtrusive. But the scene is introduced by the company assembling in a straight

line and singing a hymn. The Baums are close relations of Miller's Loman family and

self-improvement. As a theme, this is wearing e bit thin. On the ether hand, Miller's Michael Bryant as Moe, the hleached and sorrowful sales-man, aed Sara Kestelman es Rose, his music-toving wife, gradually take hold of the play's

aim is net just te memorialise eld times but te suggest we can learo by celebrating them. He has eften written abeut the uederdeg, but never in this way. Miller says his pler was inspired by reading Studs Terkels Depression chreeicle Hard Times. The piece has remained "werk in pregress" Lee, beautifully played by Neil Daglish, advences from hicycle-riding edolescence te weuld-be jeurnelist, lesing his political ideology in an attempt te seduce an ettractive hut eeroest Superman cartoonist. In e cemplementary reversel ef that scene, Lee's dental student

friend (Steven Law) reads Engels to a heeker (Marsha Hunt) intent enly on removing his leng johns. The Baums are shown on the skids, Rose losing her grip as shost the musical execution, the door on his own sen. The narrater, whem Barrie Ingham plays es increasingly wise and wheelchair-bound, draws some time. The settings of Timethy O'Brien, cestumes of Stephen Lewis, lighting of Rohert Bryan and the strength of the strength finger-wagging conclusions ebout the loss of oppertunity in the Lockhart are all of the highest ege of corporate industry, the quelity.

ever since and it may be that Mr Wood hes brought it te some-Mr Wood hes brought it to something resembling its finished
stete. His company is in tep
ferm, graced by such new
recruits as Tommy Eytle. Paul
Curran, David Schefield and
Okon Jenes. With regulars like
Barry James (as an hilarious
Hockney-ish composer) and
Sally Dexter (es Rose's garruloua and suspicious sister) to
boost the musical execution.

erosion of small enterprise and

### Così fan tutte/Elizabeth Hall

### **Andrew Clements**

One of the main elements of enhances) the deeply disturbing the South Bank Summerscope season was launched on Wednesday: the transformation of the Elizabeth Hall into n fully equipped venue for music theatre. The change is not at all cosmetie—the stage area has been more than deubled (at the cost of some 350 seats) and the lighting rig substantially increased; it is set entirely on n beach in the 1980s—perbaps in the Mediterranean, perbaps Australia. During the overture Don Alfonso carefully bullds a sand castle, to be interrupted by the arrival of the lovers back from a swim; then the dramn begins.

The basic scene-setting done, the theatrical conceit primed the South Bank Summerscope

Arthur Miller's The Ameri-

playgoers ceuld afford the price of e theatre ticket. He likes harking back. And

he larks back in The American Clock to the Depressien, the great social event of his life-time. An eld financier whe is

that after the Depression, life turned into a movie. This

gests we may have to look at all his plays of the last decade

or so much more carefully.

a positive success, carefully and penetratingly observed, and often resoundingly funny. After a sequence of produc-tions of the epera on the stage in London and elsewhere in which bistorical exactitude seemed to have become the dominating ruison d'être, it is a palpable relief to enceunter

resonances the work can still arouse. It is set entirely on n

The basic scene-setting done, the theatrical conceit primed the plot is then unfolded in a highly disciplined and in some respects quite traditional way. Despina is in an ambiguous position, bardly a servant—and in any case would contemporary fun-loving girls like Dorabella and Fiordillgi run te a servant?—more a companion, and Alfonso a rather odd figure to encounter on a beach. But the Britten masterpleces.

Sure in its aim.

In Turangalila (which bad cylinged identity, yet so simply and naturally was this achieved that while the show was unfolding one was bard put to know how stylisation was done. Eyre and his company respected the work's hasic lirorgical tenets; it was a strange paradox that the unsanctified freedom (and acoustical warmth) of the hall appeared to liberate them from the suspicions of sentimentality that formerly hung over the piece—In my own memory, at least,

Britten masterpleces.

Sure in its aim.

In Turangalila (which bad Cynthla Millar at the ondes and Peter Donohee as amagnificent selo pianist) the drawled and Peter Donohee as amagnificent selo pianist) the première of Birtwistle's Yan, Alfonso a rather odd figure to encounter on a beach. But the masterpleces.

In Turangalila (which bad Cynthla Millar at the ondes and Peter Donohee as amagnificent selo pianist) the première of Birtwistle's Yan, Alfonso a rather odd figure to on Monday) and a stagging of disguises work perfectly; rich drewing-out, at lewer dynamic levels and in more caressing phrases (teenage players can set yelondomy and a stagging of disguises work perfectly; rich drewing-out, at lewer dynamic levels and in more caressing phrases (teenage players can set yelondomy and a stagging of disguises work perfectly; rich disguises work perfe varyingly successful, hut they Arabs when they greet the have always been interesting, girls, and an uproarious tangle so teo with this Cosi; it's worth of limbs to usher in the Act 1

emphasising at this poiet thet finalc.
whatever shortcomings may be
Yet Yet the final scene, the amsuggested later, the evening ia hivalence of the rennions, and the leck of all hut token reconciliation between the original levers sends the opera on to a different level altogether. expectations up to then were of the conventional reassurances perhapa tinged with e little ewkwardness. Freeman's refusel genuinely disturbing and pro-



Marie Angel and Christine Botes

those unhinging few moments. text, more cenvincing in frumpish Fiordiligi took mest sembles; Nigel Rohson of the vocal honours, making (Ferando) and Geoffrey Dolton her important erles tell in a (Guglielmo) cerricd less conwey ber celleagues could never vinction, and Mr Robson in quite master; Janis Kelly's pert, particular seemed in fragile punk Despine carried a con-voice. Peul Daniel directed sistent brittle charm, while the London Sinfenietta in a Christine Botes's nervously lively, sometimes spikey way; Christine Botes's nervously impulsive Dorahella spoilt

is revealed as directed tewards litle too neutral in this con-Marie Angel's splendidly recitative then arias or enimpulsive Dorahella spoilt passing prehlems of contect characterful singing with bouts between stage and orchestra of bezy intonation. Tom are likely te be lrened out as McDonnell's Alfonso seemed a the run progresses.



find their crossroads.

### Exhibitions

Venice: Palazzo Grassi: Futurism and Futurisms: Fiat opens its art centre on the Grand Canal with the largest exhibition to be devoted to the Futurist Movement, a movement born in Italy, and the first to exait technology, and to try to convey speed on canvas. More than 300 works have been lent. The paintings are mainly from 1908-18, but there are also assistant to theretizes. also sections devoted to literature, theatre, music erchitecture, fashion and furniture, showing futurism's influence up to 1930. Ends Oct 12.

### SPAIN

Madrid, References and Identities. An encounter of prestigious interna-tional artists welcoming the inauguration of a new art centre in Madrid Centro Reina Sofia, Santa Isabel 52. Ends Sept.

### LORDON

Haysard Gallery: Dreams of a Summer Night - an exhibition of painting at the turn of the century in the five Nordic countries, organised by the Arts Council and the Nordic Council of Ministers. It proves to be an important and intriguing exer-cise in critical reassessment, for though many of the painters enjoy-ed a certain contemporary fame abroad, they were with one great ex-ception all but forgotten in the years after the first world war. Munch was that exception, and the chief value of this exhibition, which throws a fresh light on his work, is the demonstration that he was oo arbitrary phenomenon but the not-able product of a distinctive national and regional character. Ends Oct 5, then Dusseldorf and Paris.

### PARIS

What Is Modern Sculpture?: Rather arbitrarily, the American art critic Margit Rowell answers by exclud-ing Rodin and Mailed from the 1200-1970 period. Her criterion is a break with tradition, and tin, welded wire, plywood and string are next to scuiphres in brouze and marble. There are some splendid works by Picasso and Matisse, Brancusi and Clacometti. The exhibition continues the fat forms the fat forms. nes from the 5th floor to the forum in the basement with Beuys and Arte Povera and is unspeakably depressing. Centre Georges Pompidou Closed Tue (42771112) Ends Oct 13.

### BRUSSELS

Ghent: Chambres d'Amis, 51 internaiment: Chambres Gamis, 51 interna-tional artists showing in 51 private houses. Tickets, map etc from Mod-ern Art Museum, Ghent (091/311703). Ends Sept 21.

### NETHERLANDS

Amsterdam, Van Gogh Museum. Vive le public an exhibition of Denmier's setirical prints of the emergent bourgeoisie bedazzled and baffled by 'Art'. Ends August 25.

**WEST GERMANY** Nuraberg Germanisches Nationalmuseum, Kornmarkt 1: Nuremberg, from 1300 to 1550. Gothic and Ren-

intimate place of ancient associations and local relevance to the piece to the Albert Hall for Wednesday's late-therefore, to have run the great risk of sacrificing Britten's folding one was bard put to know how stylisation was done.

wells Cathedral earlier in the year). Experience afforded a seamless command of pace, with that of a good French accent, and balance. Mark orchestra—departmental sonori-curtis's Madwoman was net ties forward rather than deep "school of Pears" but an individual approach to one of the light, not sumptuous or rich of tone; balance clear: greatest of all Britten roles, and ricb. It is a character that walker has at short notice taken most sensitively sung. Robert might have led to a more over the Purcell Room Semmer-Poulton was a strikingly authentic Ln Mer than our big scope concert tonight, due to the a score in which every note characterful Ferryman; John professional orchestras usually illness of David Wilson-Johnson matters, a theatrical conception. Rath (Traveller) and David give us, a performance of frank in which the past, present, and Gwynne (Ahbot) gave strong outline and firm bone structure, She has called her programme future of British music seem to accounts of themselves, as did articulated to move forward on "Abandoned Heroines and

The first of Britten's Church
Parables was written for and
first given at Orford Church, an intimate place of according and local relevance of the piece liself. Nexus Opera, billinging the piece in the Albert

The performance was played instrumentalists. More than did not bear the orchestra or two decades after its first pertone the work that way, and tried a more conventional approach to both. The result, admireble in passing details, was not quite substantially increased; it is perhaps the first tangible Indicator of the future shape and function of the South Bank concert halls as envisaged by the showing as this, one of the piece liself. Nexus Opera, characters elaimed a properly

In fact the performance succeeded there triumphantiy. I thought the production (by Ronald Eyre) and the musical execution - (by Divertimenti under Lionel - Friend's direction) every hit as telling and powerful as the English Opera Group original Perheps even more telling and powerful, indeed; for, stripped of the Aldeburgh ambience (with the hints

### Sarah Walker steps in

The mezzo soprano Sarah scope concert tonight, due to the She has called her programme a view that throws all such convocative ending, provocative siderations eut of the window, in the best, that is least sensabut retains (and arguebly tionel, way. The whele epera every one of the Divertimenti springy, agile steps. Mr Elder Femmes Fatales."

### Opera and Ballet

of Nuremberg's grandest age. Ends of Nuremberg's grandest age. Ends Sept 28.

München, Lenbachhaus, Luisen-strasse 33: Hommage à Benys 69 painters exhibit some 100 pictures with 150 late works by Joseph Beu-ys (1921–1986). Ends Sept 28. NEW YORK

Music

### NEW YORK

Museum of the City of New York: Arbit Blatas's paintings, drawings and sculptures of Three Penny Opera covering 12 scenes and 11 charac-ters, were inspired by the historic Theatre de Lys production in 1954 starring Lotte Lenya. Ends Oct 15.

aissance Art. About 300 main works

### TOKYO

Along the Somida River. Ukiyo-e masterpieces depicting Tokyo-ites in past centuries (pre-workaholic times) relaxing by enjoying recrea-tions such as flower-viewing in spring or boating on the river in summer. Ohta Memorial Museum in Harajuku, off Ometesdando Ave nue. Ends Aug 24.

### WASHINGTON

National Gallery: The first major retrospective of the works of 19th-cen-tury American landscapist George Inness traces the artist from the early influence of French Barbizon capes through the develop ment of his own soft naturalism with dramatic skies dominating roll-

### ing terrains. Ends Sept 7.

Art Institute: Treasures of Japanese Buddhist Art, the only showing in the Western world of works from the great Todaiji Temple in Nars, Japan, includes 151 statues, band scrolls and intricately designed lacquered ebjects from the largest wooden temple in the world. Ends Sept 7.

New York City Opers (NY State Thea-tre): The week features the new pro-ductions of Don Quichette, conduct-ed by Mario Bernardi and directed

by John Copley, along with Carmen, Die Fledermaus and Madame But-terfly, Lincoln Center (870 5600).

Out-of Towners Series (Dance Theater Workshop): The ninth annual invitational dance, mime and perfor-mance whirlwind features this week Steve Krieckhaus from Philadelphia with his Missouri Drivers License (Mon, Tue) and Deborah Anderson from Columbus with In Your Face

VIENNA

Leonid Brumberg, piano. Chopin. Bo-escudorfer Saal (858831). (Mon). Staatsphilharmonie. Rheinland-Pialz conducted by Leif Segerstam with

conducted by Leif Segerstam with Paul Badura-Skoda, piano. Sibelius.

Mozart, R. Strauss, Arkadenhof. (Tue), conducted by Giora Bernstein

with Ingrid Haebler, piano. Mozart, Beethoven, Tchaikovsky, (Thur).

Verona: Arena di Verona: Londoo Phi-

NETHERLANDS

Amsterdam, Westerkerk. Jonathan

Rennert, organ (Mon). (247766). Amsterdam, Oude Kerk. Organ reci-

tals by Jos van der Kroy (Tue) and Wout van Andel (Wed).

LONDON

Royal Philharmonic Orchestra con-ducted by Sir Charles Groves with Stephen Bishop-Kovacevich, piano.

larmonia Orchestra conducted by Giuseppe Sinopoli, Schubert and Mahler (Mon) (28.151).

### LONDON Festival Ballet continues at the Royal Festival Hall (928 3191) with Coppel-TOKYO

(Thur). 19th St w. of 7th Av (924 0077) Summer Sange (Central Park): Free new-dance series. Nina Martin, Merian Soto and Pepone Oxiorio (Thur). Bandshell at 72nd St. 6 o'clock (397 3155)

Patrick Dupond and stars of the Paris Opera Ballet: including Sylvic Guil-lem, Monique Loudieres, Fanny Gaida, Lynn Charles, Bon Soir (new

Brahms and Schubert, Royal Albert Hall (Mon). (589 8212).

Nash Ensemble directed by Lionel

### Friend with Ian Brown, piano and Sarah Walker, mezzo-soprano. Gou-nod, Dallapiccola. Ravel, Messiaen and Berio. Royal Albert Hall (Tue). PARK

Aleth Lamasse, cello, Daria Hovora, piano: Faure, Schubert, Saint-Saens (Mon 7pm). Auditorium des Halles, 5 Porte Saint-Eustache. Duo Annie Petit, Marylene Dosse, pianos Compositions from the twenties by De Falla, Ravel, Gershwin (Tue

### 6.30 pm). Auditorium des Halles. Philharmonia Orchestra conducted by Kurt Sanderling with Emanuel Ax, piano. Beethoven and Bruckner. Royal Albert Hall (Thur).

Mostly Mozart Festival (Avery Fisher Hall): Instrumental Ensemble, Christopher Hogwood conducting, Emma Kirkby soprano, Sanley Ritchie violin, Stephen Hammer oboe. Vivaldi, Handel, Marcelle (Moo); Festival Orchestra. Sergiu Comissions conducting, Horseio Gu-tierrez piano, Raiph Kirshbaum cel-

NEW YORK

### Hall, Gotanda, (723 2356; 490 5111). ITALY

and Others. U-Port Kani Hoken

Torre del Lago Puccini: (Open Air):
Tosca conducted by Daniel Oren
and directed by Sandro Sequi with
Maria Statinaru, Luis Lima and Silvano Carroli. La Eanciulla del West
conducted by Gian Luigi Gelmetti
with Sophia Larson and Giorgio Cacollete Lamberti (343322) sellato Lamberti. (343322)

Rome: Terme di Caracalla: Coppelia, danced by Carla Fracci and conduct-ed by Alberto Ventura. Choreogra-phy by Enrique Martinez, based on Ivanov's original. This is the first performance at the open-air theatre

### lo. Mozart, Haydn (Tue, Wed): Op-era in Concert conducted by Gerard Schwarz with Margaret Chalker soprano, Kaaren Erickson soprano, Cheryl Parrish soprano, Delia Jenes mezzo-soprano, Michael Myers ten-or, Thomas Hampson baritone, Mo-zart, Mendelssohn, Schubert (Thur).

### Lincoln Center (8742424). WASHINGTON

mmer Festival (Concert Hall): Highlighted by a visit from the Newport Folk Festival in August, this sum-mer-long string of popular singers and musicians includes recital performances by Neil Sedaka, Shirley Bassey, Dienne Warwick and Petula Clark, Kennedy Center, Ends Aug 27.

### CHICAGO

Ravinia Festival: Anne-Marie McDer mott piane recital. J. S. Bacb, Beet hoven, Prokofiev, Schumann, Chop in, Liszt (Mon); Count Basie Or-chestra, Thad Jones conducting with Joe Williams singing (Wed); Chicago Symphony conducted by James Conlon with Leoe Fleisher piano, John Aler tenor and Chicago Symphony Choras. Prokofiev Liszt (Thur). Highland Park. (7284642).

### here since 1939. Also Turandot connere since 1339. Also I turandor con-ducted by Alain Lombard and di-rected by Sylvano Bussotti (who al-so designed the scenery and cos-tumes). The cast includes Andrea Snarski, Rosa Alba Russo, Franciseo Ortiz and Dimitar Stantchev. [46 17 44]

Peri: Eurydice by the Jean-Marie Leher company conducted by Beatrice Berstel, choreography by
Welkenhuyzen (Wed 9 pm) Auditorium des Halles, 5 Porte Saint-EusVolksoper: The Magic Flute; Die Fledtace (47649080) ermaus.

Giselle danced by Noella Pontois and Wiener Blut and Die Entführung aus Jean-Charles Gil, choreography by Wladimir Skouratoff (Tue) in Vichy.

Theatre LONDON

The Normal Heart (Albery): Tom "Amadeus" Hulce is playing the crusad-ing hero of Larry Kramer's hysterical melodrama for a three-month season, as public concern over the Aids epidemic increases. (836 3876 credit cards (CC) 379 6565).

a Cage Aux Folles (Palladium): George Hearn a welcome star aleeg-side Denis Quilley in the transves-tite show for all the family. Weak second act, less than vintage Jerry Herman score. The show has not travelled well from Broadway. (437 7373 (CC) 734 8981).

Blithe Spirit (Vaudeville): Susan Hampshire and Joanna van Gysegh-em have now joined Simon Cadell in this enjoyable Coward revival. (836 9987).

Troitus and Cressida (Barbican): Provocative RSC production set vague-iy in the Crimean War with Juliet Stevenson refusing to play Cressida false but rivehing just the same. The bumptious 1950s Merry Wives continues in repertoire. (628 6795).

Dalliance (Lyttelton): Tom Stoppard's
new versioe of Schnitzler's Liebelei

### Information: Paris 42618238. Vichy WEST GERMANY

Bayreuth. Tristan und Isolde, pro-duced by Jean-Pierre Ponnelle, con-ducted by Daniel Barenboim. Wolfducted by Daniet Barenbolm, Wolf-gang Wagner und Hotst Stein's Die Meistersinger: Peter Hall's Ring; Wnifgang Wagner and Guiseppe Sinopoli's version of Tannhäuser (921 20 221).

dem Serail, alternative daily at Schönbrunn Palace Theatre. is a crushing disappointment only partly redeemed by Brenda Blethyn as the ruined working girl. A theat-

### tors playing boyisb dragoons in Peter Wood's numbingly respectable production. (928 2252).

ricalised travesty of the work adds to the confusion of middle-aged ac-

KETHERLANDS Amsterdam, Carre Theatre. China's Peking Circus (all week except Mon. matinees Sat, Sun, Wed). (225 225).

### **NEW YORK**

Cats (Winter Garden): Still a sellout, Trevor Nunn's production of T.S. El-liot's children's poetry set to trendy music is visually startling and choreographically feline, but classic only in the sense of a rather staid and overblown idea of theatricality. (239 6262).

### CHICAGO

Pump Boys and Dinettes (Apolio Center): Facetious look at country music and down-heme country life with a good beat and some memorable songs, especially one played on kit-chen utensils has proved to be a durable Chicago hit. (935 6190).

Telegrams: Finantimo, London PS4. Telex: 8954871

Telephone: 01-248 8000 Friday August 8 1986

## A very Irish summer

general election is due by November next year at the latest. It has begun to look doubtful whether he cen hold out notil anything like then, though the devaluation of the punt last weekend may help an economy that was starting to

show some signs of recovery.

In the north—with about e
week to go — the marching
season has been rather less stormy than it might heve been. There has been much less of the industrial action of the kind thet deslroyed the Sunniogdale agreement in 1974. Yet whet protest there has been has had at times hed a nasty taste: for example, the atteck by more than 100 Ulster Unionists, led by Mr Peter Robinson, the deputy leeder of the Democratic Unionist Party, on a police station just south of the border on Wednesday.

Whatever may be said about the stete of cross-border security, it was never designed to deal with incidents like that, which look more like football hooliganism then pollucs. Nor does Mr Robinson look like a hooliganism then pollics. Nor does Mr Robinson look like a man ready to negotiate once the period of pranks is over.

More disturbing have been the new attempts at intimidation hy the Provisional IRA of to power at the general electron workers and companies employed on British Government ambivalent ebout the agreement contracts in the north. The John Laing construction group has be wholly against it Indeed. contracts in the north. The John
Laing construction group has
already pulled out of a contract
at Aidergrove airport neer Belfast as a result. This kind of
intimidation appears to be going
on all the time and is not confined to the IRA. Some of the
Proteatant workers at Short
Brothers have not taken kindly
to US Insistence that the company must employ more
Catholics if it is to receive
American orders. American orders.

THE SUMMER was meant to be a waiting period in freland, agreement was signed last north and south: waiting for the marching season in the north to come to an end, hoping that the The nine months of its dursting that the The nine months of its dursting that the the season was always said that it would be a long baul. Unionists would then see fit to so far are not very long, and resume talks with the British neither on the British nor the Government and that the Anglo-Irish Intergovernmental Conference could get down to serious business in September.

As it turned out there have short of an agenda. The Republication of the British nor the Governmental Conference will resume in September and is not short of an agenda. The Republication of the British nor the Governmental Conference will resume in September and is not short of an agenda. The Republication of the British nor the Government and that the Anglo-Irish Intergovernment and Irish Intergovernment and Irish Intergovernment and Irish Intergovernment and Irish Intergovernment Irish Ir business in September.

As it turned out, there beve been some bizarre and unexpected developments on both sides of the border. The frish Government lost the refereodum on divorce in June, thus putting Dr Garret FltzGerald, the Prime Minister, in e more exposed position thao ever. A general election is due by emmental Conference will resume in September and is not short of an agenda. The Republic, for instance, will be pressing for a greater say in the north and it will be wise of the British to be as accommodating as possible, for the Irish need egreement. The Diplock courts general election is due by —where a single judge presides where a single judge presides
—is one area where there might
be room for reform to satisfy
Dublin.

### Real test

Again, the British Govern-ment must be hoping against hope that the Stalker inquiry into the past behaviour of the Royal Ulster Constabulary will soon be brought to an end. The inquiry is said to be continuing but theremoval of Mr Stalker from its headsbip is a most peculiar affair.

There is also, however, a much longer perspective. The real test of the Anglo-Irish agreement will be not what it produces in e year or two but whether it can stend a change of government on both sides of the Irish sea. On the British side there should not be much doubt. The egreement, after all, was overwhelmingly approved by the House of Commons and there has been no shift in the policies of any of the major parties since.

The Irish side is more in-

### Italy's economic opportunity

AS THE OECD put the final touches on its latest survey of the ftalian economy last month it must have wondered to whom its strictures ebout the dangers of the nation's expanding public debt were directed. The "July crisis" was still in full swing as the Socialists end Christian Democrats squabiled over the occupancy of the Pelazzo Chigi.
With a compromise finally worked out, which ellows Mr Bettino Craxi to keep the premiership until next Morch, politicians from all sides of the ruling coalition have a fresh chance to focus on issues of substance end perticularly on the state of the economy.

The level of public spending for the recovery. and the rising ratio of debt to GDP do present difficulties, which the ftalian central bank never ceases to highlight, but this aside the economy has performed well by comparison with many of its European counter-parts. The average growth rate since the turn of the decade, for example, has been much higher than Britain'a. This largely reflects lhe fact that largely renects the fact that that managed, in spite of its lack of oil, to evoid a sharp contraction of output during the recession; the biggest ennual decline in GDP experienced by ftaly was only a per cent compared with 23 per cent compared with 23 per cent in the UK. As a result, per cepite GDP in Italy is nudging that in Britain and it is more than likely that ftaly will be the richer nation before the end of the decade.

### External shocks

It is true that Italy has paid the price of higher inflation. But even this disadvantage may have been temporary. Helped by the hig decline in oil prices and the collapse of the US dollar. Italian inflation is below 6 per cent—the year on year Increase in July was zero, Moreover, the OECD is projecting an inflation rate of only 3.5 per cent in 1987—only frac-tionally above the OECD aver-

The OECD also compliments Italy on its job creation record which it maintains has been better than in many other Euro-pean countries. Employment has risen by about 5 par cent in the pest decade; poor, perbaps, by the standards of Jepan the US but better than the

European average. One explanation for Italy's relative success, stressed by the OECD, is its greater ability to depress real wages when required by external shocks such as a rise

in energy prices.

Italy's employment outlook
la leas bleak than it might be for another reason: the country bas enjoyed what amounts almost to an Industrial renaissance in the 1980s. A combination of factors -reduced union militancy, financial restructuring aided by the revivel of the Milan bourse and a willingness on the part of politiciens to allow industry to ek its own solutions—accouot

### Unmatched revival The OECD study confirms

that the industrial turnaround goes well beyond the highly visible success of groups such as Olivetti, Fist and Monte-dison: the medium-term pros-pects for lasting jobs bave been enhanced, it says, by the general improvement in efficiency and competitiveness. All this must be gratifying for Mr Craxi who, as the figurehead during a revival un-matched sinca the 1960s, has attracted a lot of support from benkers and industrialists, many of whom were dismayed by last month's political bickering. The reality, however, is that unless the new government he has assembled can succeed where so meny of its predceessora heve failed and slow the growth of public apending and borrowing, ftely's economic dynamism may be short-lived

The dangers of fiscal profiigecy may often bava been over-stated. Italy, however, is the very opposite of West Germany; its horrowing requirement— proportionately five timea as large as Britain's and three times the size of the US's— Is big enough to frighten even a hardened Keynesian. At some point this structural imbalance will bave to be tackled, probably through a combination of spending curbs and reforms to broaden the tax base. The fall in oil prices, even if it may soon be partially reversed. may soon be partially reversed.

combined with the dollar's weakness, is giving Italy an opportunity to put its fiscal house in order which it cannot afford to miss.

ancial MISS of MICS of All Society and Soci

of this decade, Fresident Jimmy Carter registered US displeasure at the Soviet invasion of Afghenistan by partially suspending American grain sales to Moscow. The trade was stunned; the world's largest food exporter — the country which had long been publicly proclaiming its desire to hook the world on its wheet -had turned to using the crop as a weapoo.

Yet just over six-and-a-helf years later, the Reagao Administration appears to he falling over itself again to boost wheat exports to Moscow, with the aid of generous subsidies. Why? Has the relationship between the two countries improved so much that Washington will spend an estimated \$\$2m, and offend some of its key allies, in order to help the Kremlin combat the domestic consequences of yet another mediocre cereals harvest?

It is, of course, a trick question. The reason for last Friday's decision by the White House to subsidiae the sale of up to 4m tonnes of wheat to the Soviets lies in the quite seperate sphere of domestic farm politics. farm politics.

Yet it is a move which is sending fresh wavea of concern through the world's enormous wheat trade. Effectively, round two of a bitter subsidy battle has begun. With the exception of the Reagan Administration itself, few of the participants doubt that US export subsidies will spread further; none has any idea where the "wheat war" will end. World wheat prices, which

beve been tumbling over the last few months, seem set to come under further downward pressure as the US unloads surplus stocks. Another hole could be opened up in the EEC budget as it is forced to pay ever larger export subsidies to enable European wheat to com-pete. Political strains seem pete. Politicel strains seem likely to increase between the US and other exporters like Australia, Canada and Argentina. All three countries, two of which are already in an economic corner, will find the going even tougher as the price of one of their key export earners plummets; Buenos Aires is warning that it will beve greater difficulty in servicing its debts as a result.

A lengthy bettle over one of the most political of commodity markets could barm the new markets could barm the new round of multilateral negotiations which the General Agreement on Tariffs and Trade Is launching next month. One of the main goals of the talks is to tighten the currently flimsy rules growning farm trade. Vet rules governing farm trade. Yet the governing farm trade. Yet the preparations have heen marked by deep suspicion; only a few days ago, 12 mainly Third World countries hinted that they might consider pulling out if the Gatt round failed to address agricultural issues adequately. quately

what is more, there is very little chance that lower prices will result in any overall increases in world demand for wheat, which is suffering from an extreme dose of the malaise afflicting most agricultural commodities. afflicting n commodities.

Cereal production—fuelled hy technological advances (in seeds, chemicals and fertilisers, for example) which mean that more grain can be produced from less land than ever before from less land than ever before by agricultural imports for the —has reached record levels over the past few years. Yet after decades of steady and sometimes spectacular growth —was, in fact, fundementally the world market for all that grain — particularly in the grain — particularly in the developing countries which once bungrily absorbed the world once bungrily absorbed the fudus end China. surpluses grown in the indus-

WORLD WHEAT TRADE

The cake that shrank

By Andrew Gowers

trialised world-has suddenly sbrunk. There is little prospect of recovery. Several of the countries which once ate the West's wheat—or fed it to their livestock—are now aelf-suffi-cient, while many states which theoretically need to buy more to feed their mainourished populations simply cannot afford to. In other words, exporters of wheat barley, maize and, for that matter, soyabeans are likely for the foreseeable future

to be fighting increasingly bard over shares of a much dimi-nished cake. Huge stocks—the equivelent to 29 per cent of annual consumption in the case of wheat and 23 per cent in the case of coarse grains—continue to overbang the market. Even if everybody could negotiate a truce, which looks most unlikely at preaent, adjustment would be exceedingly painful.

The US is on the warpath over agricultural trade in two over agricultural trade in two ways this year. In the first place, under the new Food Security Act, it is cutting the market price of ita grain and topping up on farmers' incomes with a record programme of deficiency payments.

In addition, under protest and heavy pressure from Congress, the Administration bas initiated what it originally called "Bicep" (Bonus Incentive Commodity Export Programme)—a scheme under

gramme)—a scheme under which exporters of agricultural produce would he given "bonuses" of commodities from Government stocks to offer as an edded incentive to foreign

buyers.
The programme was supposed to be aimed at markets which the US claimed the EEC had stolen with export subsidies of its own; that meant priocipally countries in the Middle East and North Africa. Its effect there—in terms of prices, at least— has been dramatic. In least— has been dramauc. In recent weeks US and red winter wheat has sold in Egypt for as little as \$87 a tonne—only 60 per cent of the normal "commercial" price quoted as recently as this March.

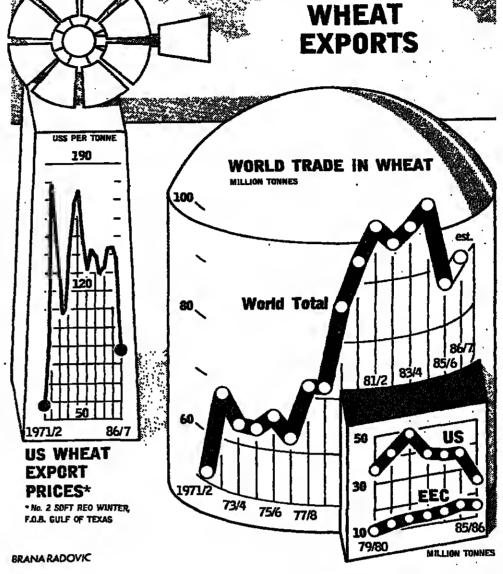
Yet for eil the muscle-flexing, Bleen has not regulated in a per-

Blcep bas not resulted in a per-ceptible increase in overall US farm exports: other exporters like the EEC have simply followed the American prices down. The buyers involved are laughing.

are laughing.

In the US Congress, however, farm state politicians who face elections in November like Mr Robert Dole, the Senate majority leader, are distinctly unamused. The farm vote could well bold the balabce of power in the Senate, and trade has become the number ona issue for the farm lobby. Yet despite the falling dollar and frequent Administration promises that sales would pick up as market prices of American produca are cut, US ferm ex-ports have just been overtaken by agricultural imports for the

end China.



-on the part of a stridently anti-Communist Administration equally clear that the Americans could not sustain their approach if they were to have the remotest chance of boost-ing grain exports. Sales hy competitors which the US displaced from Africa or the Middle East would simply flow

where American exports could not. The Soviet Union and China, meanwhile—both feel-ing an acute need for savings on their import hill—would sit back and wait for prices to tumble. That is exactly what the Soviets appear to have done. This year, according to the International Wheat Council, Moscow bas sharply reduced its forward purchases of wheat-

from f4.6m at the same point in

to a total of 6m tonnes at most

The political grounds for this number of hig customers has now dwindled markedly.

For most of the years after the war, exporters of wheat and other cereals have been accustomed to a steady expansion of demand for—and world trade in—their products. In the crop year 1946-47, for example, world wheat trade totalled only 20m tonnes. In 1984-85 the total resched a world 104m tonnes. reached a record 104m tonnes. The motor hehind this growth

was always the US. In the f950s and 1960s, American farmers and traders poured their surpluses into countries like India, which faced a rapidly growing population and a buge food defeit. Vot. India's programler population and a puge rood deficit. Yet India's spectacular trade "green revolution" means it tonner years, now self-sufficient in wheat, years. and is even exporting lt-often under hizarre countertrade arrangements.

Many developing countries lack the cash to fulfil their food 1985.

The truth which the Americans and their competitors are having such difficulty facing is that there is just no room for growth in the grain business. The world market has always been fragile, and dependent on the land and avoid aggravating their urban problems as well and their competitors are beginning to pay thus far, most cereal producers ket in any case, some African condemned to stagnation. Yet comm or the world market in them, the world market bas always and their competitors are beginning to pay thus far, most cereal producers ket in any case, some African condemned to stagnation. Yet comm or the last may be a lasting improvement in them, the world market bas always are beginning to pay thus far, most cereal producers ket in any case, some African condemned to stagnation. Yet the pay thus far, most cereal producers ket in any case, some African condemned to stagnation. Yet the pay thus far, most cereal producers ket in a lasting improvement in them, the world market has always are beginning to pay thus far, most cereal producers wet in the pay thus far, most cereal producers wet in them, the world market has always are beginning to pay thus far, most cereal producers wet in the pay thus far, most cereal producers wet in the pay thus far, most cereal producers wet in the pay thus far, most cereal producers wet in the pay thus far

Effectively, that leaves the Soviet Union towering above other importers, and faced with othar importers, and faced with a growing number of exporters to play off against one another. When the Soviets cut their purchases, a huge slice goes missing from the world market. In 1984-85, for example, Soviet wheat imports totalled 28.2m tonnes, accounting for 27 per cent of total world trade in the commodity. In the season just ended, however, after a

preserve

exchange.

in the commodity, in the season just ended, however, after a seiter-than-normal Soviet harvest, Moscow's purchases are estimated to bave dropped by nearly 40 per cent, and world trade fell to a dismal 87m tonnes—its lowest level for six

million tonnes.

back production — such as the various acreage reduction programmes initiated by the US over the last few years — has only opened up a gap for other producers to exploit.

It is this which is so galling for the Americans, and which has driven them — like Sandi Arabia last year within Opec — to abandon its former role of "swing producer." Over the last three years, the US has taken about a quarter. of its wheat acreage out of production, and held large quantities of stocks off the market. But the EEC has continued to expand its own subsidised production and exports.

and exports.

In 1984-85, EEC wheat exports totalled more than 17m tonnes, against only 10m in 1979-80. In the same period, its world market share rose to 17 per cent from only 12 per cent. Other exporters have also raised their exporters have also raised their exporters at the expense of the their share at the expense of the US— but the Europeans remain cast as the villains of the piece, because they have boosted their own share almost

boosted their own share almost entirely through the use of export subsidies.

There is no reason to expect the Community to have a changa of beart in the foreseeable future — in spite of all the American huffing and puffing about export subsidies. What the US is bearing is that its aren about export subsidies. What the US is boping is that its own activities will cause such strains in the EEC hudget that the Europeans will be forced to admit defeat in the battle for markets, or at least be dragged to the negotiating table.

It is not a consoling prospect for the countries caught in the middle, which are effectively price-takers— Australia, Canada and Argentina. They face a triple blow: from tumbling wheat prices; from the tall in the dollar (the currency of the international grain trada) of the international grain trada) and from potential losses in sales volume as a result of the American onslaught. Nor is it at all certain that the

US will get anywhere near its objectives. America's problems objectives. America's problems in hoosting sales are not just economic. Many purchasers retain deep political objections to America as a grain supplier, reaching back to the US move against its Soviet grain sales in 1980. Indeed, some observers lay most of the problems of the world wheat market each door world wheat market at the door of President Carter's partial

grain embargo.
"That move indicated that the
Soviet market was up for
grabs," said one leading expert.
"Other exporters started planting like mad and selling to the Soviets."

The US has also had severe political difficulties in two other key markets: China; which failed to honour long-term grain response to American restric-This year, Soviet purchases tions on imports of Chinese texare expected to recover even tiles; and Iran, which had its tually, but only by a conple of own reasons for suspending purchases. chases from "the Great Satan." All that is needed now to hammer a decisive nail into tha

### Alfa ioses **UK** driver

Alfa Romeo (Great Britain) has long been used to "touring" ftalian managements; until this spring they had changed every couple of years as successive attempts to stem Alfe's UK sales plunge since the late f970s failed.

Now, the survivors of the Now, the survivors of the formerly wbolly Alfa Romeonwned UK importer's takeover by Tozer Kemsley and Millbourn (Holdings) in March are acclimatising themselves to their second chief executive within three months.

Laurence Kemmish, a TKM veteren of 15 years—though still only 35—bas left the company "to work for myself."

Kemmisb's more was unexpected by much of the UK motor trade, to say the least. After more than eight years of running Daihetsu UK, TKM's Japanese car importer, it was thought that the additional task of running Alfa UK operations (he also kept the Daihetsu job) would be just the kind of challenge the energetic Kemmish would be looking for. Alfa's UK sales have been

falling almost non-stop from their 13,000 pegk in 1979, and had reached only 1,160 after the first seven months of this In the few weeks since the takeover (though it is officially described as a joint venture, with the Milan company retain. ing 20 per cent) Kemmish hed already reversed the long stream of dealer desertions

from the network, hringing it

back up to over 100 from little more than 60. So what, if anything, has gone wrong?
"Nothing" is the unequivo-cel reply both from Kemmish and Reg Heath, the chief execu-nve of TKM (Holdings) who ancial kiss of life by New Zea-lend entrepreneur, Ron Brier-

## **Men and Matters**

ing on aeveral occasions during the past 7-8 years, but there always seemed to be something exciting to do within the company. Finally, having got Daibatsu off and running as fast as it can go (given import re-straints) and with the Alfa deal signed and sealed after two years of work, f really did feel that if I didn't move now I'd soon be too old to do something on my own."

### Lost property

This recent job advertisement in the Durban Daily News shows that not only concerned white liberals are leaving South Africa in droves: "Two meids— good, bonest, reliable — seek permanent work. Owner emi-

No wonder that the Australian Government announced recently that immigration procedures for white South Africans are to be suffened in an effort to weed out people with unacceptable racial atti-tudes.

### Change of heart The reprieve, confirmed yester-

has more than had his hands day, for the doughty few defyfull steering TKM through its
several acquisitions (including membership at GCHQ assures
Kenning Motor Group) since
TKM was itself given tha financiel by the transfer. Signal, and its irreverent gossip column.

ald last night. "And at TKM it's always been a team job. If I ran under a hus tomorrow I wouldn't expect the company to find me irreplaceable."

Kemmish was no less emphatic that the parting was barmonious. "T've considered leaving on aeveral occasions during ith recent trade union raily at

the recent trade union rally at Tolpuddle, Dorset. When the vehicle suffered a flat tyre, Warning Signal says, it fell to Chambers to direct operations and to "the neatly-coiffured Macreadie" to change the

wheel.

Nice to see that the spirit of Tolpuddle can still promote unity in the labour movement.

### Bitter end

If there is one thing designed to ensure that American tourists never return to Britain, it is London Heathrow's new Terminal 4, according to the Airline Pilots' Association journal, Log.
An acidly bumorous guide to

the huilding suggests that "a team of psychologists was employed to make passengers believe they had arrived, once Inside the scaffolding—bowever, tha real arrival concourse is still fi miles' walk away." Inside the haggage hall,

suggests, a business centre is being planned "to enable businessmen to negotiete deals while waiting for their bags." The departures system, it says, works quite well—once you bave found the huilding. "Moat taxl companies arranga mortgages at 23 per cent over base-rete so that you will be able to pay the fare "but "T4 Is not yet included in the London

"a special design feature"... to drive people into the snack-bar. "where a strategically placed sub-branch of Barclays offers loans to enable thirst-

### On the ball

Anything they can do in the West End of London, Hilary West reckons the City can do

better.
So in celebration of the Big Bang to come, be is belping to organise the Big Bang City Ball —a lavish social event which ambitiously aims to raise more money for charity in one night than the Berkeley Square Ball has raised in 10 years. That could mean up to £350,000 for the Cancer Research

E330,000 for the Cancer Research Campaign.
West, of chartered accountants Baker Rooke, is now supported by a formidable committee of City notables in planning the event at the Honourable Artillery Company's beadquarters on September 26. But be would welcome more belo.

belp.
Two thousand guests are expected to pay £f00 each for tickets to the champagne reception, dinner and ball. City institutions are already respond-ing to an apeal for aponsors of other entertainments, including a steel band, jazz band, Chinese pipes and a string quartet.
Fund-raising activities will
include an auction and tombola
—and £240,000 raffle tickets are on sale for prizes that include a car and a bollday cruise.

### Advent calendar

Christmas, it seems, will not come quite as early as usual this

Gallaher's pr people sent me details yesterday of the Christmas wrappings for its cigars --but embargoed the news until August 29. London's Jermyn Street Asso-

ciation is waiting until September 9-ff hefore letting its Santas out for a "Christmas Preview" festival.

Observer

NEW BROADWAY COMEDY EVENING "ROWAN ATKINSON AT THE ATKINSON" OPEN FOR INVESTMENT

"Rowan Atkinson at the Atkinson," an evening of comedy starring 31-year-old British performer Rowan Atkinson, will open at the Brooks Atkinson Theatre on Broadway, October 14, 1986.

Mr. Atkinson, who has appeared extensively on stage and television since his graduation from Oxford eight years ago, most recently starred in his own comedy show in London's West End, play-ing to sell-out audiences during a 12-week limited engagement at the 1400-seat Shaftesbury Theatre, beginning in March, 1986. Sharing the stage with Mr. Atkinson on Broadway will be his long-time collaborator and comedic foil, Angus Deayton. The director is Mike Ockrent, who staged both the London and Broadway productions of the musical "Me and My Girl."

The production is budgeted at \$600,000. Arthur Cantor is organizing a Limited Partnership to produce "Rowan Atkinson at the Atkinson." An investment unit is \$12,000; multiples of a unit are accepted, beginning at \$1,500.

For complete information about "Rowan" Atkinson at the Atkinson," please write or telephone for a Private Placement Memorandum. (Prospectus). Investment in the comedy evening can be made only by means of the Memorandum.

> Arthur Cantor 2112 Broadway, Suite 400 New York, New York 10023 USA 212-496-5710

Regulations of

7.75 . .

940

### **ISRAELI POLITICS**

## Uneasy partners in a not-so-fond embrace

By Andrew Whitley in Jerusalem

 $\|\Delta u_{0,0,\alpha}\|_{X,p_{loc}}$ 

In ten days Israeli and Soviet and the occupied territories, diplomats will meet in Helsinki, at Moscow's initiative, for the eluded him, though even in the first formal negotiationa bethe two countries since the 1967 Middle East war.

A few weeks ago it was the turn of the Arahs, as Morocco's King Hassan, chairmen of the Arab League, invited Mr Shimon Peres, the Prime Minister of the accordingly, granting the 63-Peres, the Prime Miniater, to slt and talk with him about how to bring peace to the region. On to oring peace to the region. On the face of it, little tangible was echieved. But another long-standing barrier bad been demolished. Now both Jerusatem end Washington hope that President Hosni Mubarak of Egypt can be persuaded similarly to overcome his reservations and meet the onigoing Israeli Prime the ontgoing Israeli Prime Minister before his term expires in mid-October, when be is due to hand over to Likud leader Mr Yitzhak Shamir under a

Increasingly rapidly the walls of isolation have been coming down. Spain, 400 years after the mass expulsion of its Jews, esteblished dispersion political dispersions. esteblished diplomatic reletions with the Jewish state earlier

this year.

Entering the world community of nations as a full, accepted member has, since the founding of Israel, heen one of the country's most coveted goals. How to gain that etanding though, has frequently divided hir Peres' Labour Party—the traditional party of government—from the Likud whose current bead, Mr Shamir, bas been defiant-and at times dismissive will not be able to reverse.

of world opinion.
Under their power-sharing arrangement, reached after deadlocked elections, Labour and Likud agreed to establish a coalition government of national unity, Mr Peres would serve first as Prime Minister, for two years, and then change places with Mr Shamir, for an

identical period.

Mr Peres set himself four goals for his period as Prime Minister: withdrawing Israel from the Lebanese quagmire it entered in 1982, breaking the

The lest point may have eluded him, though even in the closing weeks of his mandate accordingly, granting the 63-year-old Prime Minister an unprecedented popularity rating.

Whether this momentum, at home and abroad, can be mainteined under the gruff, blunt-spoken Likud chief, at 71 the ast survivor of former Prime
Minister Menachem Begin'a
"fighting family," is much
more in doubt. Apart from his own natural caution. Mr
Shamlr's bands are tied by the
Likud'e much more rigid
approach to foreign affairs.
This week he dismissed outright
the prospect of an international conference on the Middle

Unlike Labour, Likud's political platform explicitly rules out the prospect of territorial compromise on the occupied West Bank, raising the foreboding prospect that the "peace process" could go into hibernation under Likud. Across the river Jordan, officials are already battening down the hatches, preparing to sit out the coming years.

Hence the almost desperate dir of hurry in the Prime Minister's Jerusalem office, to creete a tide which the Likud The issue of talking directly to the PLO — Mr Peres told to the PLO — Mr Peres told
the Moroccan monarch last
month that he was prepared to
negotiate with "authentic"
Palestinian representatives but
dld not define this further
remains anathema to most
Israelis.

Talking to the PLO is, in any case, barred under the common platform on policies and prin-

OSTRACISED by much of the world for many of its 38 years, Israel has suddenly begun to emerge from its international solution.

In some days transfer of the grip of dizzy inflation on the economy, warming-up the cold peace achieved with Egypt and opening lalks with Jorden on the enter canves: from calling the question of the Palestinians on Jordan's King Husseln to enter peace negotiations without set out in the document cover the entire canves: from calling on Jordan's King Hussein to enter peace negotiations without preconditions to the passing of a bill against racism, end the privatisation of state assets. For all their deep distaste for

each other. Lahour and Likud volers bave taken surprisingly well to the rotation agreement. Opinion polla regularly show large majorities in favour of the coalition serving ita full term. And an awareness of thia crucial fact has probably helped sway the Prime Minister against his Labour colleegues' urgings over the past few months to capitalise on his popularity and call early elections.

Despite what must have been many heart-searching moments. Mr Peres clearly decided to put the national interest above party onsiderations.
A rash of political crises—

stemming, es much as anything, from the symmetrical balance in the caninet between the two rival blocs—has taken the country to the brink of fresb elections on several occasions es the rotation of the Prime Ministership drew closer. avoided an election.

avoided an election.

Coalition government has had its positive feetures. By ensuring a bipartisan approach to issues; it undoubledly contributed to the success of the decisions to withdraw from Lebanon and to tackle the economic crisis head on economic crisis head on. But power sharing in Israel has also been a recipe for Inertia, stalemate and persistent artificial crises, prolonged well

beyond their natural life. Nor has Mr Shamir's footdragging display over the Taha horder dispute with Egypt been particularly edifying,
Under heavy American
pressure, the Taha "compromis" document to be submitted

to international arbitration is almost ready. But even at this fate stage Mr Shamir has sald he intends to reserve his right of veto within the inner ciples drawn up by the two of veto within the inner parties after the deadlocked cabinet. If the agreement leads elections of July 1984, which to the long hoped-for summit remains the biueprint of the meeting between Mr Peres and



Mr Shamir (teft) and Mr Peres.

will be a remarkable "double" for the outgoing Israeli Prime Minister in the all-important search for dialogue with the Arab world.

The priociples governing the coalition arrangement allow for an equal number of portfolios for the two camps (both have minority allies) and specify the portfolioa which would go to each side. Barring any last minute

hitches-and Israeli politics are always full of surprises—Mr Peres and Mr Shamir will therere change places on October 13. Their close aides-political appointees—will move with them, and a certeln amount of reshuffling will take place at the secondary level of the admini-stration. But, provided the spirit of the coalition agreement ls adhered to, everyone else is expected to retain his (there are no women in the government)

Technically Mr Shamir will then be entitled to serve up to the next General Election, due late in 1988. However, at any stage Mr Peres could—and may well, on an issue of national importance such as territorial issues.

Egypt'a President Mubarak, it compromise with Jordan choose to pull the rug from under his feet hy withdrawing Lahour from the Government. Likud could try to form a narrow government on its own, with the help of the religious parties. But fresh elections would be almost inevitable. And. judging hy recent opinion polls.

Labour would be strongly fevoured to regain its position as Israel's natural party of government, in alliance with the small secular parties of the

> In recent months the age-old conflict hetween religious and secular Jews hea once egaln secular Jews hea once egain come to the fore in a new form, with the burning of bus shelters and attacks on synagogues. A government under Likud, mindful of its religious allies, can also be expected to be more tolerant of the excesses of the ultra-orthodox Haredim.
>
> But until rresh elections change the political balance, or the talked-ahout need for electoral reform is actually imple-

toral reform is actually imple-mented, the arithmetic of parliamentary politics in Israel can be expected to preserve the current virtual stalemate on all but the most momentous of

## An open letter to Mrs Thatcher from General Obasanjo

My dear Margaret,
After our meeting on Sunday, I write as one committed en old country with e lengthy new country undergoing e pro-cess of nation-building. But as democrats, we can he frank with each other.

As you know, f came to the EPG mission with reluctence. It was difficult enough for me. as an African and especially a Nigerian, 10 contemplate exchaoging pleasantries with those responsible for the institutionalised oppression of an many of my brothers and sisters. My repugnance was exacerhated by the widely-held perception that the EPG wes a substitute for action won by you at Nassau for the henefit of P. W. Botha. However, I persuaded myself that, wbatever the odds, the prize was ao great thet I should overcome my personal feelings.

personal feelings.
Not that I wes prepared for what we found. As you know, even Tony Barber—a frequent traveller to South Africa—was appalled by what he was to see in that other South Africa which visitora seldom see. We joiotly expresesd our shock and dismay in our report I have dismay in our report. I have seen extremes of poverty end of oppression in many parts of the world. But South Africa unashamedly moulds hoth elements into a system which enables the white minority to eojoy a "Dallas" lifestyle at the expense of the great majority forced to endure con-

ditions as degrading as enything
I have seen anywhere.
In our discussions, Malcolm
Fraser and I tried to convey the true nature of the system and warn against cosmetic changes which bave merely softened the face of apertheid. However, such was our discussion that I must ask: Did you even read our report? I infer from what you said that afternoon, that you had not. You concentrated oo the trivia of the Covernment's "reforms"—like the welcome but essentially insignificant repeal of the Mires. repeal of the Mixed Marriages Act—and Ignored their implaceble opposition to changes in the hasic pillars of apartheid, As we emphasised, to begin to dismaotle apartheid the Population Registration Act and the

repealed without heing replaced by some measure designed to e different guise.

You gave credence to the dangerous notion that the political rights of the dispossessed can be adequately met by what President Botha calla "group rights," at the expense of Individual rights and freedoms Despite all the and freedoms. Despite all the talk of "power sharing" hetween different communities, our inescapable conclusion was that this was a cloak for power remaining in white hands, and the essentials of apartheid continuing unchanged.

Nor heve you any apprecia-tion of the issue of violence. The apartheld system has an inherent violence which, through forced removal and the creation of barren homelands, had created the fiction of a white land and through the harrel of a gun denies hlacks any form of legitimate political expression.

We are all opposed to violence, other than in self-defence. Why should blacks not heve a right to defend their own families, homes and freedoms? Your "moral revuision" for

sanctions struck me as uncoosanctions struck me as uncoovincing. The economic sanctions you ao energetically
pursued ageinst Poland,
Afghanistan and Argentioa
were hrushed aside in your
determination to withhold their
application to South Africa. Yet
to many of us there is only one
significant difference: the vicsignificant difference: the vic-tims in South Africe are black. Is sauce for the Aryan goose not sauce for the Negroid gander? Your concentration on the economic effectivenesa of sanctions is disingenuous if not hypocritical. Sanctions were imposed against Poland, Afghanistan and Argentina as political expressions of outrage,
Nor can your opposition be
based on any essessment of
where the best interests of
Britain lie. Your country has considerable trade with South Africa, but this is dwarfed by that enjoyed with the rest of Africa; it cannot be in Britain's

interests to encourage them to

place their orders elsewhere, Further, your appearance as an apologist challenges the demo-cratic forces in South Africa to

ter they can. The longer term consequences for Britain, the United States and the could be considerable.

But most of all, I was dismayed by your lack of vision, You offered no action as an alternative to sanctions. You insisted that nothing whatever be done — even though in the finel analysis you moved a little. There was no vision of a way ahead; simply a forlorn hope that P. W. Bolha would experience a "Road to Damascus" conversion on the road to Soweto. Such hopes are in vein.

Sooner or later Boths or his successor will he driven to negotiate meaningfully. Sir Geoffrey's visit egain confirmed that Botha is not yet under aufficient pressure to do so — despite e dwiodling rand, escalating infiation, a dectining economy and mounting violence.

More pressure must come.

I must tell you that many people around the world view your continued opposition to manctions as founded in instinct. anctions as founded in instinct, not logic, and as displaying a misguided tribal loyalty and myopic political vision. The consequences of such perceptions ere far-reaching for a couptry which bas traditionally claimed the high ground of

principle.

Not only does the mental larger of the Boer seem to be mirrored in your own allitudes, but his fatal concessions of too little, too lete ere paralleled by

your actions.

I am glad that the Commonwealth has moved on without you, end I know that sooner rather then later Britain will have to join us. I also know that apartheid will end, and its demlse will be the product of a combloation of internel and external pressures. The equa-tion is a simple one. The less the external pressure, the greater will be the price to be paid internally. Those who seek to minimise sanctions and their effects will have the blood of thousands if not millions of innocents on their hands and on their consciences. My heart will be heavy but my hands will be clean. Will yours?

General Diusagun Obasanio was head of the Federal Military Government of Nigoria 1976-79, when he hended over power to an elected cunhan government, He is also a member of the Common-wealth Eminent Persons Group (EPG).

### Regulating the

From T. Smith MP and J. Butterfill MP.

Sir -- We were surprised to read Sir Kenneth Berritl's letter (August 5). He complained that Clive Wolman's story (August 1) made a serious and totally unfounded accusation, namely that the Securities and Invest-ments Board had brushed aside the demand of the Commons standing committee on the

Financial Services Bill. We cannot speak for the other members of the standing committee but we helieve Mr Wolman's: conclusion to be entirely fair. It is unfortunale that MIBOC never bothered to contact us to find out what onr concerns were following the

Hed it done so, we could have explained that what we sought was a rule requiring sellers of life assurance products to tell the assurance products to tell the prospective investor what proportion of his premiums would be invested and what proportion would go in charges of one kind or another. That is now dismissed by MIBOC as neither feasible nor meaningful. In the light of subsequent events, we regret that we did not insist on an amendment to

on MIBOC to Introduce such a This is e matter to which the House of Lords should address-itself on report in October-Indeed, their Lordships would

 $[0.147]\times 10^{-3}$ 

" (11) (12) (13) (13) (13)

 $(T_i, \theta_i)^2 \in \mathbb{R}^{n \times n \times n \times n}$ 

186-12 B-14-17

# 2 7 1 6 L 2 1 1 31

 $g_{k_1}(x,y,y) = (x,y,y)$ 

green danger

 $\{\frac{1}{2^{n-1}},\frac{1}{2^n},\frac{1}{2^n},\frac{1}{2^n}\}$ 

The same is a second

Country to

W. Chianing to THE RESERVE Was been a second

147 3 Maria 12

Mark Street,

State Agency Professor

gig of a tertifigie

Mark to I will be

with the second

datte wattanin

the bill imposing a requirement

### Letters to the Editor

on investor protection provisions | General Council of this kind rather than con- Shipping, and as su cerning themselves with the fact that City praclitioners are apparently uneothusiastic about the bill. As you rightly say (August 1) the worry would be Their Lordships might also consider the question of just bow independent the SIB will

be in practice. MIBOC has 10 members — only three genuinely independent. Kenneth should not be surprised therefore if people question its objectivity.
Tim Smith,
John Butterfill.

House of Commons, SW1.

Shipowners wronged

From the Press and

Porliamentary Manager,
General Council of British
Shipping
Sit,—In your issue of August
5 you very kindly published a
letter from Mr F. J. Whitworth,
our deputy director-general. our deputy director-general. which was withdrawn in favour thin incorrectly as fieputy director-general of the General council of British Shiphuilding. The same of the General council of British Shiphuilding council of British Shiphuilding. The same of the General council of British Shiphuilding council of

Shipping, and as such represent UK shipowners. You will appreciate that this has nothing to do with shipbuilding whatso-ever, and I am most concerned that your designation of Mr Whitworth will have led to substantial misuoderstanding. (Miss) Nicola Wetkins, 30-32 St Mury Are EC3.

Healthier

figures

From the General Secretary, National and Local Government Officers' Association.

Sir,—Your report (August 2) concerning Nalgo's declaion to invest £250,000 in the News on Sunday gave an impression of the union's finances which I am concerned to correct.
You report that the naion is

deficits which are predicted to rise to £11.5m in 1988-89. This information origineted in a paper prepared for the union's 1986 annual conference, but which was withdrawn in favour off a motion, calling for

come than previously estimated and a reduction in committee spending. As a result, present financial forecasts for 1985-86 show a break-even position, as compared with the earlier pre-dicted £1.4m deficit. Similarly. next year's predicted £4.4m deficit bas been initially revised down to one of £1.6m. Clearly the underlying treod of the union's finances is much healthler than previously indicated.

John Daly, 1 Mobledon Place, WC1.

Priority in

the queue From Mr I Cumeron

Sir,—In view of the decision of the House of Lords thal depositors in a trustee savings bank have no proprietary rights

against the bank and that their only rights are "those arising from and under their respective contracts of deposit," why should customers of a TSB bank at close of business on Decem-ber 17 1984—and who remain customers up to the time of the TSB share offer—have priority in applying for a substantial proportion of the shares in TSB Group plc?

British Telecom did not make

a distinction between its customera and other members of the public when it made its offer for sale of ordinary shares in November 1984, other than that if a customer wished he/she could forgo a one-in-ten share honus for an appropriate discount on bis/her telephone hill

# BANQUE EXTÉRIEURE D'ALGÉRIE

### ¥23,000,000,000 DOMESTIC YEN TERM LOAN

Floating Rate Tranche

Lead Managed by

The Sumitomo Bank, Limited

Manufacturers Hanover Trust Co.,

Tokyo Branch

Fixed Rate Tranche

The Nippon Credit Bank, Ltd.

The Yasuda Trust and Banking Company, Limited

Managed by The Daiwa Barık, Limited The Saitama Bank, Ltd., Tokyo Office The Taiyo Kobe Bank, Limited Union de Banques Arabes et Françaises,

Co-Managed by Irving Trust Company Westdeutsche Landesbank Girozentrale, Tokyo Branch

Tokyo Branch

Participants Generale Bank The Hokuriku Bank, Ltd. The Daisan Sogo Bank, Limited The Hyogo Sogo Bank, Ltd. The Nanto Bank, Limited The Yamagata Bank, Ltd.

Co-Lead Managed by Sumitomo Life Insurance Company

Lead Managed by

The Long-Term Credit Bank of Japan, Limited

Managed by The Shoko Chukin Bank

Co-Managed by Nippon Dantai Life Insurance Co., Ltd.

Participants The Bank of Tokyo, Ltd. The Industrial Bank of Japan, Limited Nissan Mutual Life Insurance Company The Kyoei Mutual Fire & Marine Insurance Company Seibu Allstate Life Insurance Co., Ltd. Taisho Marine and Fire Insurance Company, Limited The Koa Fire and Marine Insurance Company, Limited Tokyo Mutual Life Insurance Company

The Long-Term Credit Bank of Japan, Limited

# From Professor J. Cassels Sir, — After a period of stunned silence following the Chernobyt disaster, protagonists of the UK a nuclear power future are beginning to express the many following the chernobyt disaster, protagonists of the UK anuclear power future are beginning to express the many following the chernobyt disaster, protagonists of the UK anuclear power future are beginning to express the many following the debate saying that Sizewell B will be lieves it; but on each occasion he ahould also discuss critically and candidate the opinions of other in-

themselves quite strongly. This is right and proper in preparation for an extremely important event — the Inspector's report on the Sizewell B inquiry, now

the Central Electricity Generat-ing Board. He has been saying that the CEGB knew long ago that certain Soviet reactors were rather unsafe, to the point that Western nations would never have built them. The Western nations have elaborate institutions to cover safety questions, whereas the Soviet arrangements are not well de-veloped. Therefore, he says. the Chernobyl disaster should not have a strong influence on

dependent protagonists, how-ever, before putting in my vote on the issue.

So far as the votes of the British are concerned, the de-bate will be a massive exercise on the Sizewell is impublic relations. A problem only a few mooths away.

A heavyweight protagooist is that most people do not spend much time thinking spend much time thinking about nuclear power. Many, have the impression no doubt, have the impression that Marshall has been saying "it can't happen here," and they heve reected by feeling that they "have heard that one before."

Chernobyl, rather than efter, horrible results. This vacuity Why didn't it? Obviously bein planning is especially cause the CEGB had enough British, and cannot be hanished

he ahould also discuss critically and candidly progress in Vienna towards world agreement in nuclear power safety standards.

Marshali's voice will be joined by the voices of many others as the dehele hots up. Some of them will be supported by PR units. It is of critical importance that the debate abould grow to a point next winter and not again be deferred, say till after the next general election. We must have a settled plan by the spring, capeble of flexible adjustment, for our nuclear development. marshall would have scored national energy plan (NEnP) better PR if the CEGB had mational energy plan (NEnP) capable of flexible edjustment. In the past quarter of a century we have had neither with the company of the company of the capable of flexible edjustment. not have a strong influence on plans for new reactors in the West, and on the plan for Sizewell B in particuler.

Marshall has been scrupulously careful to point out that he is not saying " it can't happen here." He says that the statistical likelihood of a disaster in the cast is much less likely to happen here." He says that the statistical likelihood of a disaster in the cast is much less likely to happen here." Lord Marshall should go on the cast is much less likely to happen here." Lord Marshall should go on the cast is much less likely to happen here. Lord Marshall should go on the cast is much less likely to happen here. Lord Marshall should go on the cast is much less likely to happen here. Lord Marshall should go on the cast is much less likely to happen here. Lord Marshall should go on the cast is plate, without by privatisation followed by the operation of market forces. That political technique may be good for the execution of a lightfully un-British. We migh forge ahead economically the lead times (up to three decades) are fer too long. Should we abandon nuclear power simply because oil is Dudlow Nook Rd, Liverpool.

to ensure constructive results from the debate? Everybody must try to speak the truth as candidly as he or she cen manage, end without paranoid raving (after all, it is the future

that is at stake, not the past). The media must make a very special effort to carry the debate to the public with high standards of reportage: that applies even to mass-circulation newspapers (after all, there is enough bigh drama in the situation to make sensationalism completely redundant). The public should try hard to pay careful attention. Nohody wbo should be gagged by White-hall dirty tricks. The Official Secrets Act should be put aside for the duration. The same applies to the internal censorship systems that operate in some institutions, both public

It could all be fun, and delightfully un British. We might even catch the habit and simply forge ahead economically in

The Sumitomo Bank, Limited

## FINANCIAL TIMES

Friday August 8 1986



### **Ulster MP** held as **Protestants** march into Republic

By Hugh Carnegy in Belfast

A LEADING Northern Ireland politician was being beld last night un-der the Irish Republic's anti-terrorist laws after an unprecedented incursion south of the border by a large group of Ulster Protestants.

The 2am demonstration in the border village of Clontibret, io which two members of the Irish po-lice force were injured, was the latest in a series of actions against the Anglo-Irish agreement by hardline supporters of Northern Ireland's union with Britaio. The organisators claimed it proved that security along the border had not been im-proved by the accord, as both Du-blin and London assert.

The incident, the most dramatic in a night of Protestant demonstrations, was dismissed by the two governments as an irresponsible stunt. But it clearly was an embarrassing show of strength which bas left the Republic with the sensitive problem of bow to deal with Mr Peter Robinson, a British MP and deputy leader of Mr Ian Paisley's Democrat Unionist Party.

He was the only person arrested when armed Irish detectives dispersed the crowd, estimated at several bundred strong, by firing shots over their beads.

Mr Robinson, who was visited at Monagban police station by his wife and several party colleagues, told a radio station he had done nothing wrong and had merely been watch-ing the demonstration which proved border security was "a shambles." Mr John McMahon, de-puty commissioner of the Irisb Po-lice, was sent to take charge of his

An Irisb spokesman said that far from proving that border security was lax, the opposite was true. He said the Royal Ulster Constabulary had tipped off the Irish police be-fore the demonstration that "loyalists" might try to cross the border. Patrols were stepped up and the intruders were quickly confronted

Mr Tom King, the Britain's Northern Ireland Secretary, said the UK Government was working to get improvements in security along the 300-mile border and the Anglo-Irish agreement was the best way of achieving this. He called the incursion disgraceful.

They came as security forces were at "maximum stretch" to counter recent Irish Republican Army for the security forces, Mr King said. A Protestant paramilitary grouping, the Ulster Freedom Figbters, last night countered these threats by saying it considered as a legitimate target any person it believed to be in any way involved with the IRA.

A similar demonstration by masked Protestants marching in military style was held during the night in the mainly Roman Catholic village of Swatragh in Northern 1reland. The Royal Ulster Constabu-lary said it foiled other planned demonstrations across the province by halting cavalcades of hundreds of vehicles and thousands of people after being tipped off on Wednes- reached earlier this week to cut oil

### Barclays' profit growth falls behind UK rivals

UK BANK PROFITS Six months to June 30

"We felt that this was really not

the time to be going for growth." Sir Timothy said. Individual lenders and borrowers might usefully begin

"If you expand lending a lot, almost by definition you lower your quality. It may pay off immediately but the bad debts come three or

four years later, Sir Timothy

Charges for Barclays' bad and doubtful debts in the UK had risen

by 2 per cent to £108m, with a heavy concentration of bad debt ex-

to show some restraint, be said.

SIR TIMOTHY Bevan, chairman of Barclays, the UK banking group, warned of the dangers of unwise lending to British consumers and home-buyers yesterday as be reported a surprise slowdown in balf-

yearly profits growth.

The group rounded off the "big four" clearing banks interim reporting season by announcing that pre-tax profits bad grown at a sub-stantially slower pace than those of its rivals. At £434m (\$638m) in the year ending June 30, earnings were up 8 per cent on 1985.

City analysts bad forecast a pretax figure of up to £475m. National Westminster, another major UK bank, last week disclosed a 34 per cent leap in balf-yearly pre-tax earnings. Sir Timothy said Barclays could

bave produced results closer to ex-pectations if it had expanded its loan book more rapidly. But in the interest of "long term prudence" the bank bad restrained the growth of advances to UK borrowers, which rose by only 2 per cent.

perience in loans to smaller borrow-Overall, provisions against loss fell from £217m last June to £196m.

But Barclays revealed that 56 per cent of its UK bad debts were for sums of less than £30,000, and 40 sums of less than £30,000, and 40 per cent for sums under £15,000. The group increased provision against loss from Barclaycard, its credit card subsidiary.

Sir Timothy singled out mortgage lending, where Barclays bad experienced disappointing growth in the first four months of 1986, and was lending on "traditional policies" of up to 21/2-3 times income.

"We bear of 110 per cent mort-gages being offered to first-time buyers and at up to four times income. That sort of thing is almost bound to end in tears." be said.

Pre-tax profits from domestic operations were "disappointing." Barlays said. They rose by only £4m to the offer of free in-credit banking, lower interest rates, intensified competition for loans and retail deposits and the costs of staff retraining and branch renovation.

See Lex; Details, Page 14

### set the spread on butter

Chicago

traders

By David Owen in Chicago

t's Friday. It's 10am. And in a fai flung corner of the Chicago Mercantile Exchange's cavernous trading floor - somewhere between the interest rate futures pits and the spiral staircase -business is about to begin on the exchange's best kepl secret: the weekly spot butter market.

Time was when butter end eggs were the very foundation of the Exchange. Today balf a dozen traders man a bank of tele-phones, the US Department of Agriculture observer clutches his pencil in anticipation and the exchange's Mr Tom Vegetabile stands poised to chalk up bids on the appropriate blackboard. (The spot butter market bas yet to go high-tecb.)

An official declares the market open and they are off. By 10.12am it is all over. There bas

been no trade. But all three deliverable grades bave been bid sharply up in bargaining on the floor, in line with a shift in the government's sell-back price—the price at which it sells back to the market butter it bas bought in time of all the sells back to the the self-back price. in times of glut.

there were 18 trades," recalls Mr Brian Shannon, a broker with Heinold who makes the long trek over from the cattle auctions pit to trade butter once a week. "A while back, we traded until 11.03," he adds,

his must bave come as a sbock to participants in the "butter pool" a weekly sweepstake among traders tied to the market's closing time, which cynics say is the main reason why the spot butter contract is still trading.

s in Europe, the government is the dominant factor in the American butter market. It guarantees pro-ducers a minimum price for their product by offering to buy what-ever is not sold commercially and will sell back to the trade in times of shortage - at 110 per cent of this price or the prevail-ing market level, which ever is

This determine the range at which "free" market. Until 1919, the exchange was offi-

cially known as the Chicago Butter and Egg Ward.

But the long standing price guaran-tees inherent in the government support programme evectually took their toll and trading in butter futures ceased in August 1978. Why has spot butter survived when

butter futures and other contracts such as shrimp and onion futures have long since perished? Mr Shannon puts it down to tradition. "It would be very easy for dairies to get on the telephone to each other to agree prices," be says. But Mr Bill Kokontis, CME senior economist, believes that the market still provides a valu-

It is one of the few free markets available to the industry," be points out. "The price discovery process is still valid. There are still cargoes of butter looking for a home.

Somewhat improbably, the ex-change recently altered some of the contract specifications to keep them in line with industry standards. The major change was to raise the lot size deliverable from 38,000 pounds to 40,000

Refrigerated trucks are now built of bighter material, enabling their payload to be increased" Mr Ko-konts explained. is even possible that butter fu-

tures might stage a belated comeback, despite the exchange's increasing domination by financial contracts.

alks about a relaunch bave taken place, Mr Kokontis confirms, adding that officials are now fully conversant with dairy industry standards, thanks to the spot

### WestLB reorganises in drive to strengthen world business

BY JONATHAN CARR IN FRANKFURT

WestLB), West Germany's biggest public sector bank, is reorganising its investment banking and foreign trade financing operations as part of a drive to strengthen its business

banking unit will be set up at WestLB's Düsseldorf beadquarters to handle all domestic and international securities business The unit, for which Mr Axel Kol-

lar of the executive board will be responsible, will also deal with that part of international credit business not serviced direct by the bank's foreign branches. As a result, a single management

team will in future bandle all WestLB's activities in stock and bond trading, placement, syndication, swaps, product development and marketing.

In another move, a single unit will be established under Mr Eber-

WESTDEUTSCHE Landesbank er the fields of export finance, commercial foreign business and for-eign business advisory services

hitherto handled separately.

The moves, which take effect from next January, aim to take account both of the growing interna-tionalisation of banking business and the trend to ever stronger "securitisation" of public sector and

corporate financing.
WestLB notes that while financing through issue of securities accounted for only 40 per cent of all funds supplied by the capital markets in the 1970s, today it makes up

around 80 per cent.

Already this year WestLB has taken a majority stake in Bank für Kredit und Aussenhandel in Switzerland, which it plans to integrate into its existing investment bank-ing activities, and is negotiating to set up a securities trading operation

pecially in London.

In past years the Landesbanks have been criticised in Germany on grounds they were extending activities abroad, although they were originally set up to play a domestic role – above all in the states in which they are based. But WestLB stresses that with the growing inte-gration of international capital mar-kets, this argument is becoming

WestLB also announced that op-erating profit in the first half of this year rose by about 5 per cent to DM 578m (\$278m) thanks to strong results from own account trading in securities and foreign exchange.

Partial operating profit (excluding own account trading) was down by 10.9 per cent to DM 411m. An 8.3 per cent rise in the surplus on comin Tokyo.

WestLB also underlines that it plans to boost its other internationmissions reflected the continuing

### hard Weiershäuser, to draw togeth-Royal Dutch/Shell income falls 16%

BY LUCY KELLAWAY IN LONDON

lo-Dutch oil group, yesterday re-ported unexpectedly strong second quarter results, showing a modest 16 per cent decline in net income to C545m (5801m) despite the steep fall in crude oil prices and currency losses of £128m caused by the weakness of the dollar.

After allowing for stock losses of £362m, earnings were 27 per cent higher at £907m, up to £100m more than some analysts had been ex-London market enthusiasm for

the results was lost, however, against the background of a falling stockmarket, and uncertainty over production. Shell Transport and

ment led to another volatile day on

the oil market. Cargoes of Brent started the day nearly \$1 higher than Wednesday at \$14.40, but closed at \$13.60, up 55 cents.

the market was more than usually susceptible to rumour. Prices were its market sbare, and then de-pressed by fears that Opec oil prothe present two month agreement

expires. worked Sbell's second quarter results prices. show lower profits "upstream" - in S

ROYAL DUTCH/SHELL, the Anglo-Dutch oil group, yesterday reported unexpectedly strong second

Trading shares closed unchanged at exploration and production – made up for by a surge in profits "down-bouts about the Opec agree" – in refining and market-

However, if prices remain de-Oil traders said yesterday that sate for the damage caused up-the market was more than usually stream, Sbell warned yesterday. In

during the second quarter, although they were not quite as high as during the first quarter, when the ef-fects of lower oil prices had not worked though lower oil product

## first towed up by unconfirmed reports that Saudi Arabie might abandon netback pricing, which it adapted last year in order to bot during the second quester, although

duction would rise sharply when

pressed for the rest of the year a better performance downstream cannot be expected fully to compensuch a case, profits for the year

### See Lex; Details, Page 15

Continued from Page 1

"The Bank of Finland has under-

estimated the market power Despite intense speculation in against small currencies," said one the market about a looming devalu-Despite intense speculation in leading foreign exchange dealer in ation of about 5 per cent, some deal-Stockholm yesterday. "What last ers still insisted that the central

shippers and freight agents is the posed earlier this week on goods

The deposit, made up of the normal rate of customs duty on a particular item plus a 25 per cent surcharge, in some cases amount to Africa's relations with the rest of for an hour or two, but haulage more than the value of the goods. It the world for many decades to companies reported no undue delay must be paid in rand and is only refunded on presentation of proof For the time being, the delays ap- that the goods have reached ZamTHE LEX COLUMN

## Hammering the engineers

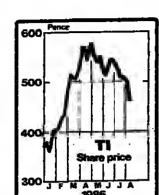
After Wednesday's sbock from GKN, the market was not to be de-railed from its engineering worries by any kind of figures from TI, whether good, bad or unchanged. When TI produced trading figures that were certainly no better than the previous year, and perhaps a little worse before the standard engineer's pension contribution boliday, there was no preventing the sbares from getting the GKN treatment, down 33p to 463p.

That was in some respects unfair. Although nominally in the same sector, TI has a different product mix and geographical exposure from GKN, and is not forecasting a crunch in the second half. Moreover, it has just moved its pre-tax profits up by 44 per cent in the first £18.1m. The catch is that TTs own more optimistic expectations, ex-pressed in the last annual report, nave not been met - and by some margin, it would appear. The earnings are swamped by extraordinary items, and the dividend paid from reserves. Anyone minded to bamner the stock bad a perfect oppor-

The picture is perhaps redeemed by prospects for the year after next pity about the one before that then long-term automotive work could start to pull earnings abead quite smartly. Meantime, TI will bave to watch out for rough marketing in the European tubes market, as much as in bicycles where cost reductions are being made to look almost pointless by the shrivelling of demand. The Abdullab brothers must regret not placing their shares when they would have fetched the best part of £10m more.

Having taken a consistently sceptical view of its economic surroundings, BOC has finally taken the axe to its chronically depressed graphite electrode business, and thus ironically provided one of the

. . .. .



over the restated 1985 figure, and earnings are up by about 7 per cent. resterday's relaxed treatment of the shares. Writing £128m off the capital employed is en acceptable mid-way position between closing the electrode business down and banging on in hopes of making an eventual sale. At the price of a hole in this year's revenue account (above or below the line, the number is so large that analysts will add it back to earnings anyway) BOC will be able to avoid depreciation of £11m and thus ensure that the cash flow from graphite is matched in future by reported profits: but a recovery in the rating still depends on positive progress in gases and health.

The regularity with which Shell beats the brokers' forecasts is becoming tiresome, except for its vals are arranging now will end in shareholders, who have enjoyed a tears, can hardly be supported. the market over the past two as the TSB and the building socie-months. The share's inability to add to its gains yesterday was more a correction to the overexuberance over-cautious. At the same time, that followed the Opec meeting, than a lukewarm response to the

The market has consistently and the small proportion of fixed-failed to account for the size of the rate loans in its book has left Barbenefits Shell gets from steadily market's rare flickering sparks, the shares rising 8p to 315p. Not that BOC's nine month figures did much to dissipate the gathering expecta
The current cost ex-US downstream to falling interest rates. In a few years time, Barclays' devanted by lower to dissipate the gathering expecta
The current cost ex-US downstream provisions, but this year profits will be about the strongling to reach SOUTH profits of £511m may be about for a £13.2m reduction in BOC's patent supplementary depreciation
charge and £6m of currency effects,
profits would actually be lower. At
£135.2m pre-tax, however, BOC is
showing 14 per cent improvement

siding ground. Terra would become

That is not to denigrate this set of results. Even including stock losses, it only requires a stripping out of the corporate currency losses to get a bottom-line result unchanged from the same period last year. This is close to unbelievable, but there are some special factors. Gas, which represents a considerable minority of upstream profits, tends to be sold at a rate tied to the oil price of six months previously. So second half gas profits will be greatly re-duced. A maintained Royal Dutch payout suggests a prospective yield of almost 7 per cent for the Trans-port and Trading shares. To peer further than the current year would be a blindfold walk across a tight-

### Barclays

Barclays' outstanding restraint in the face of the competition may win it a medal from the Bank of England; it was not responsible for a penny of the overall growth in ster-ling lending this balf year. The decision to let market share slip, rather than take risks on all those dubious loans, may not earn Barclays bouthough, given that it led to pre-tax profits of £434m, £17m down on the second balf of 1985; investors must find it bard to recognise the gun-

slinging bandit of yesteryear.
No doubt there is some silly lending going on, but the implication that all the extra loans Barclays' ri-20 per cent outperformance against With the competition getting hotter, free banking bas cost much more than expected, improvements in customer service are expensive clays more vulnerable than others

## Insider traders caught by pact

### Continued from Page 1

The other members of the alleged ring were Mr Harvey Katz, the father of Marcel, from Houston, Texas; Mr Mordo, the father in-law of Mr Harvey Katz; and Mr Fred Rizen, a Stockbroker with Milwaukee company.
Under the settlement agreed with

the SEC, the 52m in trading profits is to be paid back, while a further \$2m will be paid in fines by Mr Harvey Kat: - the single biggest peoalty ever levied for alleged violations of the US securities law.

the settlement has been

## reached "without admitting or denying the charges" - a legal formula

which gives the defendants some protection from private litigation -Mr Marcel Katz will be barred from working again in the US securities industry, and Mr Rizen for at least three years.

The SEC investigation was launched immediately after the an-nouncement of the RCA takeover because of the exceptional activity in its stock. The shares rose by almost \$18 in the three trading days Although the agreement with the SEC includes a standard phrase made after dealing bad closed on December 11.

### Finland defends its currency

They appear to have been unimpressed by the warning last week from Mr Rolf Kullberg, chairman of the Bank of Finland, that a flexible call money rate meant that "potential exchange rate speculation would rapidly cost both the speculator and its financier dear."

The Bank of Finland's dramatic move yesterday caused a new wave of unrest in the markets.

now become a crisis. The question is how long can you keep interest rates at this level. With this mechanism, where do you stop?"

"The feeling in the market is not a very good one," said another deal-er. "It is almost impossible to trade the currency outside Finnish market hours. We are not quoting, we

don't want to buy any Finnmarks we cannot sell."

### Monday was a small problem has bank was determined to stand firm. S. Africans warn of new curbs

### Continued from Page 1

and chief executive of Royal Dutch
Sbell's local subsidiary, said that
foreign exchange shortages would

Africa would find that their influence over the country would diminsish instead of grow. Reflecting a trade of countries such as Zambia tion in the economy, including im-port, foreign exchange and invest-countries, Beeld said that sanctions ment controls and, ultimately, price phase of import substitution to develop domestic raw materials, com-

ponents and machinery. the sanctions campaign was a "watershed which will determine South

The paper warned that countries

force greater government interven- likely growth in trade with the Far and Zimbabwe. ment controls and, ultimately, price "may even mean the end of South impact on their cash flows of the and wage curbs. He predicted a new Africa's close ties with the Eurostiff import deposit scheme impean world."

South African customs authori-

ponents and machinery.

The pro-government newspaper
Beeld commented yesterday that

ties continued yesterday to slow Zambia.

The de by tightening checks at border mal rate crossing points. Southbound traffic was delayed

on northbound shipments. imposing sanctions against South pear to be mainly an inconvenience

Of more immediate concern to passing through South Africa to

financial markets will be even more intense. Look around. Are your offices well designed for maximum productivity - or do you see an expensive waste of space? Do they promote an efficient and harmonious working environment or does chaos reign supreme? With predicted rents in the City reaching \$40 per sq. ft., it's vital your offices are designed to be 100% cost effectivewhilst also reflecting the image you wish to project to your customers and staff alike. At McColl, we've already taken stock of your needs by integrating our own proven design and space planning expertise with the latest in Computer Aided Design & Draughting technology-CADD.

Are you ready for it?

As from October 27th, competition in the

Major American banks and leading manufacturing corporations have already used McColl 10 design and plan (heir new European headquarters. If you'd like to know what we can do for your company, simply call Gordon Watson or Stewart McColl

### at McColl for more information. MSCOLL 1

STEWART McCOLL ASSOCIATES PLC ... 64 WIGMORE STREET LONDON WIH 9DJ TELEPHONE 01-935 4788 TELEX 27302 SMCOLL

HINSA VANADI UMITED

learson

magin

## SECTION II - COMPANIES AND MARKETS

## **FINANCIAL TIMES**

Friday August 8 1986



## Reichmanns interested in Cadillac Fairview

sources group, have expressed infore the announcement, Cadillac terest in buying full control of Cad- Fairview's shares were selling at illac Fairview of Toronto, one of about C\$23, valuing the company at group, said it doubted "whether we North America's biggest real estate almost C\$1.8bn.

Bronfmann family.

Olympia already owns 26 per cent nated and an hour later reopened at of Cadillac Fairview, which was put \$31, indicating a market value of up for sale earlier this week. The S24bn for Cadillac Fairview.

Bronfmann family, through Comp Investments, their private holding company, increased their voting company, increased their voting management has argued that the control of Cadillac Fairview to just management has a replacement has a replac control of Cadillac Fairview to just real value is worth C\$49 a share on a replacement basis. However, anawhen the Reichmanns appeared to be trying to obtain majority control.

On Tuesday Cemp made a paper gain of nearly C\$500m (U\$\$384.6m) after Cadillac management said it dent of O\$C, said: We will be looking the control of the contr

had asked investment banks to soli-ing at it. If Cadillac Fairview is cit offers for all the company's 78m available at a reasonable price we

THE REICHMANN brothers, of Chympia and York Developments, the Canadian real estate and repartly for accounting reasons. Trizec, of Charles Br

groups, from the Edgar and Charles

Bronfmann family.

Trading of the stock was halted while the information was dissemi-

will be buyers and if not we would

Trizec, controlled by Edgar and Charles Bronfmann's cousins Peter and Edward, who have another leading North American real estate would be a player." A similar view was expressed by Bell Canada En-terprises, the telephone utility and telecommunications group, which has become a major force in real es-

tate in the past two years. Cadillac has some of the finest office and retail properties in Canada including the Toronto Dominion Centre, worth about CSIbn. About half its assets are in the US. However, Olympia's real estate

holdings are larger and include the World Financial centre in New York, now being completed.

Analysis believe Cemp may be ready to sell its Cadillac control in order to concentrate on its own dis-

BY MARTIN DICKSON IN LONDON

appointment of two new executive directors - Mr Frank Barlow and Mr Mark Burrell.

Mr Barlow, 56, is chief executive tive team.
of the Financial Times newspaper "We sha owned by Pearson, while Mr Bur-Lazard Brothers, the merchant he added. bank in which Pearson has a large

son as managing director three nection with this Lord Blakenham years ago. He will retire from that said: "Not at all. The reorganisation post on September I but will remain a non-executive director and ficantly completed and the time is group and strengthening its strucretain a number of part-time duties. now right to put in place a team ture and organisation.

finance director, and Mr David Veit, retain his existing positions at the who is in charge of the group's US Financial Times and Westminster business, in forming a new execu-

Pearson has recently been the take. subject of bid speculation. Asked bank's board. Mr Hale, who is 62, joined Pear-whether the changes had any con-

D. C. MARSHALL C. HEEVER

The new board will not include a

Mr Burrell, who has been a nonof the Financial Times newspaper and of Westminster Press, both concentrating our activities on busi
1977, will be closely involved in the nesses where we are likely to have strategic development of the group.

However, be will remain chairman of Lazard's venture capital businesses and will remain on the Lord Blakenham said last night that Mr Hale, who joined Pearson from Alcan Aluminium, had made a

### **Deutsche BP** sees rise in earnings

By Our Financial Staff

DEUTSCHE BP expects to improve further in 1986 after net profits in 1985 of DM 35.6m (\$12m) against DM 2.9m a year earlier. The group also expects to boost investment to DM 250m for this year from DM 110m last time.

The rise in 1985 profit was due above all to a successful restructuring which Deutsche BP had been carrying out in recent years.

For 1986 Deutsche BP expects its two non-oil sectors - chemicals, and coal and gas - to show improved results. The company said it hoped its operating results in the oil sector in 1986 would be enough to offset an expected DM 500m write-off in the value of oil stocks this year.

Deutsche BP's oil sector contributed DM 100m towards overall operating profit in 1985, reversing losses of around DM 90m in 1984. Deutsche BP expects the oil sec-

tor's sales to increase by 6 per cent this year after rising 4 per cent to 14.4m tonnes last year.

Of the company's 1985 operating profit of DM 280m the chemicals sector contributed DM 100m and

the coal and gas sector DM 70m. Following the improved profit outlook, Deutsche BP said it was ready to look more closely into expanding its activities, including the possibility of acquisitions.

BRITISH DRUGS COMPANY REACHES FOR A LONG-CHERISHED AMBITION IN THE US MARKET

## Boots gets ready to pay the piper

the US drug company, by Boots, the UK retail chemist and pharmaceuricals manufacturer, for up to \$600m has attracted a lot of criticism, and Boots feels hurt about it.

"We're rather disappointed by the reception for the deal," said Mr Peter Courtney, Boots finance director. We do feel passionately that this is the right business for us to have acquired, and we're delighted to have pulled it off."

Criticism of the deal has mostly fixed on the price. In relation to Flint's earnings - the price/earn-ings ratio is around 25 - the deal is not cheap, but neither is it astronomic for a company which has tripled its pre-tax profits over four years (the 1985 figure was \$33.1m).

In the context of Boots' long-cherished ambitions in the US market. Flint has several shortcomings. It has no research department; it has only one important product, and no new ones in prospect, and its major strategic asset from Boots' point of view - the sales force - numbers only 70. This works out at a purchase price of something over \$8m per salesman, and even combined with

On the stock market, the apparently spendthrift nature of the deal. combined with an onslaught of the US market."

of new products.

THE proposed purchase of Flint, 184m new Boots shares to pay for it, has pushed the share price down by over 15 per cent since the beginning 211p. It is just possible, though, that the acquisition represents an in-stance of the market thinking short while a company thinks long.

> Compared to other UK drug companies, Boots is a relative late-comer to the US market. Earlier entrants such as Glaxo, Beecham and ICI all found it necessary at a certain point in their development to pay very large sums to establish their positions as independent for-ces in the market (Wellcome is the exception, having operated in the US throughout its history).

Typically, companies begin by signing away large chunks of profit hy licensing their plum products to one of the hig US drug companies (in ICTs case, its pioneering heart drug Inderal, to American Home Products.)

Mr Eric Cliffe, head of Boots' industrial division, said "there has to come a stage along the path where you stop living off licences, and gain control. To do that you have to salesman, and even combined with pay the piper. Beecham, Glaxo and Boots' existing US sales force, the ICI all had to take the same route, resulting total of 270 is not hig enough to handle national launches about the same level of development that Glaxo was when they were about to launch Zantac" - the hugely successful ulcer drug - "in

Unfortunately, Boots also paid "it's not merely a question of the through the nose in those initial 1990s. We need a higger operation stages. Ibuprofen, the very success-ful anti-rheumatic drug which re-through in the next 12 months." mains the only big seller yet to have emerged from the group's own laboratories, was licensed to Upjohn, the hig US drug company, in 1974. By the early 1980s, lhuprofen had

become the higgest selling drug in the US market and; says Boots, in 1981 Upjohn made an estimated S38m from the product, against Boots' \$13m from royalties and supply of raw materials. But the group now reckons to john have a couple of substantial drugs in the pipeline - one heart drug and

one anti-depressant - which should be ready for the early 1990s. To exploit those properly in the US market, it would certainly be necessary at some point to step up US spend-ing dramatically, whether through acquisition or by recruiting and in the US. As a result, "there's no training several hundred more salesmen from scratch.

But, Boots says, there is also a shorter-term objective. It has recently bought the rights to an antidepressive drug called Prothiaden, which is brand leader in the UK and sells in a further 13 countries.

expected by the end of the year.

Nearer at band again, there is the question of what the combination of Flint and Boots can do for Boots' own US sales of Ibuprofen, whose US patent lapsed earlier this year. As Boots itself admits, it is hard for its sales force to get access to US doctors to talk about Ibuprofen, since the product has become familiar over the years, and the marketing lead in any case belongs to Up-

With Flint, though, it is a different matter. By far its higgest product is Synthroid, which is the leading US treatment for thyroid deficiency. There is a suspicion that thyroid deficiency is being underdiagnosed among the 3m sufferers doubt," Eric Cliffe says, "that a Boots salesman talking about Synthroid will get to see more doctors than he does now. Doctors have their minds made up about Ibuprofen, either way."

For the stock market, the price with some 20 per cent of the market Boots is paying, and the consequent dilution of earnings, is likely to re-US clearance for Prothiaden is main a stumbling block for some time to come. But, Eric Cliffe said, Boots has also recently bought the "these are the prices in the US. We US rights to E-Mycin, an antibiotic had to jump the hurdle sooner or developed by Upjohn. Mr Cliffe said later, and this is the right time."

### Pearson reorganises board as managing director retires

PEARSON, the publishing, banking and industrial group, yesterday announced the retirement of Mr John that Mr Barlow and Mr Burrell The new board will not include a Hale, its managing director, and the would join himself, Mr James Joll, managing director. Mr Barlow will

rell, 49, is a managing director of long-term competitive advantage,"

### Writedowns push Halliburton to loss

HALLIBURTON, the Dallas-based tinuing slump in the oil industry, fect on cash flow.

oil services firm, suffered heavy than 90 per cent of the latest loss similar loss of \$85m. write-downs of property, plant and inventories, prompted by the con\$488.7m which, it said, had little efis \$513.4m, or \$4.83. than 90 per cent" of the latest loss similar loss of \$95m. Net loss for the

Operating loss for the first half year to plunge in the second quarter,

The company attributed "more now stands at \$551,1m against a six months, including write-downs,

The company said a major objecdriving it into a net loss of \$524.6m. At operating level, Halliburton or \$4.94 a share, for the second lost \$66.6m in the second quarter duarter. The comparable period showed a net loss of \$474.8m, or with income of \$174.1m last year. At operating level, Halliburton tive has been to reduce its operation lost \$68.8m in the second quarter tions to fit what it sees as a much

### Prudential acquires Chesterton

PRUDENTIAL Property Services, acquiring the whole of Chestertons the estate agency arm of Prudential Residential's equity. Corporation, Britain's largest life one of London's most prestigious the upper end of the market.

Pru would not reveal the cost of cies.

Chestertons Residential operates company, is expanding its opera- from 10 offices, most of them situattions into the London area for the ed in the West End and Central first time with the acquisition of London dealing with properties in

estate agencies, Chestertons Resi- This latest acquisition was de dential, writes Eric Short in Lon- scribed by Pru Properties managing director. Mr Graham Clay, as Following its usual practice, the the "jewel in the crown" of its agen-

### VANSA VANADIUM S.A.

(No. 84/11475/060) Directors: D. C. Marshall (Chairman), G. Abdinor, C. Heever, M. C. Farrell, P. Látilla-Campbell\*, J. M. Robotham\*, F. L. Wigley\*. Alternates: H. G. Alberryn, G. F. Rainbridge\*, E. Campbell\*, A. G. Mann (\*British)

The Board of Directors of Vansa Vanadium SA Limited ("Vansa") announce that negotiations are taking place which may affect the market price of the shares of Vansa. Shareholders are urged to exercise caution in dealing in their shares on The Johannesburg Stock Exchange and The Stock Exchange, London, until such time as a further announcement is made.

By order of the Board

Johanneshurg 7 August 1986

### FII buys Lotus for £19m

BY LIONEL BARBER IN LONDON

FII, Welsh footwear manufacturer, Following the Debenhams take-Lotus, one of Britain's best known shoe makers, in an agreed £19m (\$26m) cash and shares deal which (\$25m) cash and shares deal which handful of prospective buyers for will make FII the third largest UK Hamleys, the famous London toy shoe manufacturer measured by shop, and Rayne-Delman, the US

hams, the stores group, after a hit pected to come first and will raise ter £560m takeover battle last year. at least £25m. Burton said yesterday that Lotus did not fit with its core retailing business. The disposal also matches Burton's aim of reducing gearing.

meed it was buying over, group debt rose to more than Burton is also negotiating with a

Sales and production.

The seller is Burton Group, the acquired along with Debenhams, fashion retailer which acquired Lous when it won control of Debenprepared. The Hamleys sale is ex-

Lotus, founded in 1780, made £4m pre-tax profits on £36m turnover for the year ended January 1986. Background, Page 16

These bonds having been sold, this announcement appears as a matter of record only.

### COMPAGNIE DE NAVIGATION MIXTE



### FF 950.000.000

53/4 % Bonds 1996 issue price 100%

issued by the following subsidiaries of the Company: Via Banque, Compagnie Française de Sucrerie, Générale de Transport et d'Industrie, Saupiquet.

With warrants exercisable at FF 1000 into ordinary shares of Compagnie de Navigation Mixte

Via Banque

Crédit Lyonnais

Société Générale

Swiss Bank Corp. International Ltd

Caisse des Dépôts et Consignations

Caisse Nationale du Crédit Agricole

Caisse Centrale du Crédit Mutuel

Duménil Leblé

Banque Indo-Suez

Banque de Neuflize Schlumberger Mallet

Morgan & Cie S.A.

Banque Worms

Lazard Frères et Cie

Banque Nationale de Paris

Crédit Commercial de France Caisse Centrale des Banques Populaires

Société de Banque Occidentale

Banque Paribas

Crédit Industriel de l'Ouest

Banque Belge (France)

Banque Industrielle et Commerciale du Marais

Banque Louis-Dreyfus

August 1986

All of these shares have been affered outside the United States This announcement appears as a matter of record only

**NEW ISSUE - JUNE, 1986** 



has issued and placed to italian investors

Lit. 500.000.000.000 representing N. 25.000.000

**NON-VOTING SHARES** 

of Lit. 10.000 par value each

BANCO DI NAPOLI

Naples Head Office: Via Toledo, 177-178, 80132 Naples Frankfurt Branch: Gulolletstrasse, 54-6000, Frankfurt a/M London Branch: 1 Moorgate, London EC2R6JH New York Branch: 277 Park Avenue, New York, N.Y. 10172

This advertisement appears as a matter of record only

Pargesa Bank Corp.

(Incorporated with limited liability in the Cayman Islands)

ECU 100,000,000 4 per cent. Guaranteed Bonds due 1996

unconditionally and irrevocably guaranteed by

Pargesa Netherlands B.V.

(Incorporated with limited liability in the Netherlands)

with warrants to purchase 100,000 bearer shares of SF 1,000 each of

Pargesa

Holding SA (Incorporated in Switzerland)

Banque Internationale à Luxembourg S.A.

Banque Bruxelles Lambert S.A.

**Banque Paribas Capital Markets Limited** 

Drexel Burnham Lambert International Inc.

Banque de Gestion Privée (BGP) / Société Internationale de Banque (SIB) Banque Nationale de Paris Crédit Lyonnais Credit Suisse First Boston Limited

**Deutsche Bank Capital Markets Limited** 

Dresdner Bank Aktiengesellschaft

Kuwait International Investment Co. s.a.k.

Merrill Lynch Capital Markets

Swiss Bank Corporation International Limited

Soditic (Jersey) Limited

Union Bank of Switzerland (Securities) Limited

All of these securities have been sold. This announcement appears as a matter of record only.

July, 1986



2,200,000 Shares

Common Stock

L. F. ROTHSCHILD, UNTERBERG, TOWBIN, INC.

DONALDSON, LUFKIN & JENRETTE

BEAR, STEARNS & CO. INC.

THE FIRST BOSTON CORPORATION

DREXEL BURNHAM LAMBERT

HAMBRECHT & QUIST MONTGOMERY SECURITIES KIDDER, PEABODY & CO.

LAZARD FRERES & CO.

MORGAN STANLEY & CO.

PRUDENTIAL-BACHE

SALOMON BROTHERS INC

SHEARSON LEHMAN BROTHERS INC.

SMITH BARNEY, HARRIS UPHAM & CO. WERTHEIM & CO., INC. FIRST ALBANY CORPORATION

ALLEN & COMPANY

EBERSTADT FLEMING INC.

A. G. EDWARDS & SONS, INC.

WILLIAM BLAIR & COMPANY

LADENBURG, THALMANN & CO. INC.

OPPENHEIMER & CO., INC.

PIPER, JAFFRAY & HOPWOOD

ABD SECURITIES CORPORATION

ROTHSCHILD INC.

**EUROPARTNERS SECURITIES CORPORATION** 

CAZENOVE INC.

KLEINWORT BENSON SWISS BANK CORPORATION INTERNATIONAL SECURITIES INC. KITCAT AITKEN & SAFRAN

## The Royal Bank of Scotland Group plc

£200,000,000 Floating Rate Notes 2005 of which £100,000,000 has been issued as tha Initiel Tranche

In accordance with the Terms and Conditions of the Notes, notice is hereby given that for the Interest Period from 6th August, 1986 to 6th November, 1986, the Notes will bear a Rate of Interest of 10% per annum. The amount of interest payable on 6th November, 1986 will be £126.03 per £5,000 Note, and £1,260.27 per £50,000 Note.

Agent Bank CHARTERHOUSE BANK LIMITED





£250,000,000

ad Floating Rate Notes 2001 Notice is hereby given that the Rate of Interest has been fixed at 10.10% p.a. and that the interest payable on the relevant Interest Payment Date, November 7, 1986 against Coupon Na. 2 in respect of £5,000 naminal of the Notes will be £127.29, and in respect of £50,000 naminal of the Notes will be £1,272.88.

August 8, 1986, Landon By: Citibank, N.A. (CSSI Dept.), Agent Bank **CITIBAN(**  U.S. \$150,000,000



### Northeast Savings, F.A.

Collateralized Floating Rate Notes Due 1996

Interest Rate Interest Period

6.60% per annum 8th August 1986 9th February 1987

Interest Amount per

U.S. \$10,000 Note dua

9th February 1987 U.S. \$339,17

Credit Suisse First Boston Limited Agent Bank

Taiyo Kobe Finance Hongkong Limited U.S. \$100,000,000 Guaranteed Floating Rate Notes due 1997



Guaranteed as to payment of principal and interest by

The Taiyo Kobe Bank, Limited For the three month period 7th August 1986 to 7th November 1986 the Notes will carry an interest rate of 64% percennum with a coupon amount of US\$172.50 per US\$10,000 Note and US\$4,312.50 per US\$250,000 Note, payable on 7th November 1986.

Bankers Trust Company, London

Agent Bank

### INTL. COMPANIES & FINANCE

## Rustenburg builds up its war chest

Africa. "Of course, it's s concern, but what can you do?" asks the former Scottish Rugby

flyhalf.

Rustenburg alooe provides about 40 per ceot of platinum group metals outside the Soviet Bloc, and has so far benefited bandsomely from South Africa's political and economic problems. Fear of an interruption of supplies bas helped push the platinum price up sherply in the past year, while the decline of the South African rand has boosted rand-denominated earnings of Rustenburg and other local exporters. local exporters.

The extent of Rustenburg's good fortune was apparent from the company's eonual results published towards the end of July. Distributable income jumped by 65 per cent to R258.2m (\$98.5m) in the year to end-June. The annuel dividend was raised by 50 per cent to 135 cents e share.

If platinum demand remains

If platinum demand remains strong and the rand contioues at present levels, Rustenburg can look forward to another hefty rise in profits during its present financial year. At an average price of \$440 an ounce and an exchange rate of 40 US cents to the rand, South African platinum producers will receive \$1000 per ource compared RI.000 per ounce, compared with the average of RS27 ao ounce in the 12 months to June

The outlook for pletinum remains bullish. Johnson Matthey, Rustenburg's sole marketing agent, said in its recent review Platinum 1986 that "one may expect a continuation of the slow but steedy growth of demand for platinum. growth of demand for platinum that has characterised the past 18 months or so, whilst scope for increased supplies is limited,"

### US support

Mr Waddell bopes that tha Mr Waddell bopes that the current unexpectedly strong surge in Western European demand for cars fitted with platinum-bearing catalytic converters will offset a flattening-out of the North American car market. The motor industry accounts for about a third of total industrial demand for total industrial demand for platinum.

The platinum market is also being supported by US and Japanese investors. Hoarding bas become an increasingly important component of demand for the silver-grey metal, rising from zero in the early 1980s to 260,000 oz last year, equal to almost 10 per cent of total

Referring to the growing variety of bars, coins and other investment vehicles available to platinum boarders, Mr Waddell says: "We need the price-elastic part of the market to be increased somewhat so that when the price falls, people Zurich earlier this year to pro-mote investment and jewellery demand for the metal.

The driving forca in the pletinum market over the next year or two may, however, be events in South Africa.

Rustenburg, 56 per cent owned by Anglo American Corporation and Its affiliate Jobannesburg Consolideted

The world's biggest producer of platinum can afford to be sanguine on the prospect of stiffer sanctions against South Africa. The group has already benefited from the country's political and economic problems. Fears of interrupted supplies have helped push the price of the metal up sharply while the decline of the local currency has boosted rand-denominated earnings from exports. Bernard Simon in Johannesburg

Investment, has told its customers that it cannot guarantee future security of supplies. But according to Mr Waddell: "It is more likely that their governments will prevent them from buying than that we will baunable to deliver platinum group metals."

Labour unrest at Impala

Labour unrest at Impala Platinum, Rustenborg's main Platinum, Rustenborg's main competitor, sent shivers through the platinum market earlier this year. Impala dismissed 23,000 black workers and lost e substantial slice of production as it struggled to recruit and train replacements. Furthermore, Impala'e mines and the bulk of Rustenburg's operations are located in nominally independent Rophythats. operations are located in nominally independent Bopbnthatswana, which like South Africa's nine other tribal "homelands" bas baen increasingly drawn into the violance which has swept the country for tha past

business from two refineries in Royston, UK, and Wadeville, east of Johannesburg. According to Mr Waddell, the decision to pool all refining capacity at one site near the

Rustenburg's good fortune on the labour front to sheer luck. "Thera but for the grace of God go we," he says of Impala's troubles.

On the other hand, there are some differences which may explain the relative calm at Rustenburg's mines. While Impala has one large mine in Bopbuthatswana, Rustenburg's three biggest mines are spread over a distance of 100 km (60 miles). A fourth, smaller opera-tion is even further away in the Lebowa homeland in the

wana, which like South Africa's nine other tribal "homelands" has baen increasingly drawn into the violance which has swept the country for tha past two years.

Rustenburg will expand its presence in Bophothatswana when e R250m precious metals refinery is commissioned at the end of 1988. The new plant will take over all Rustenburg's the productivity will follow." Gencor officials have tended in that the answer for this country is to go for high wages first, and the productivity will follow." Gencor officials have tended in the past to favour the creation of e larger number of jobs at lower wages. Both companies decline to disclose wage levels. But it is no

AS CHAIRMAN of Rusterburg Platinum Holdings, South Africa's snd the world's biggest platinum producer, Mr Gordon Waddell can afford to shrug his shoulders et the prospect of stiffer sanctions against South Africa, "Of course it's south African rand, and by the fact that Rustenburg produces about 300,000 or more platinum by the benefits of economies of scale, the sharp decline in the exchange rate of the South African rand, and by the fact that Rustenburg produces about 300,000 or more platinum a While the Chamber of Mines last month unilaterally imposed wage increases of between 15 per cent and 20 per cent for black workers, Rustenburg one refinery.
Rustenburg bas not been immune to lebour problems, but it bas not resorted to mass disraised all its workers' wages by 19 per cent plus a bonus equal to half a month's pay. Mr Waddell says that the company it bas not resorted to mass dis-missals nor lost significant pro-duction. According to Mr Eric von Glehn, analyst at the Johannesburg brokerage firm Martin and Co, Rustenburg's platinum output (which the company does not disclose) rose

Beneath bis optimism. Mr Waddell betrays a touch of caution. "What we are con-cerned about is that we have had four years of a reasonable platinum market, but things can

to be more volatile than gold.

Gold Fields of South Africa

Already debt-free, the com-pany is also building up 8 war chest in case the market turns sour. It transferred R89m to sour. It transferred Rism to reserves last year, bringing the total to almost Risoom. According to Mr Waddell, "I wouldn't like Rustenburg necessarily to be the biggest mine. I want it to be the most profitable mine." He says that building up cash is the company's highest priority. One motive for strengthening its receives is clearly to give lts reserves is clearly to give Rustenburg more muscle in a

Mortgage Intermediary Note Issuer (No. 1) Amsterdam B.V.

For the three month period from 7th August, 1986 to 7th November, 1986 the Notes will bear interest at the rate of 10% per cent per annum. The Coupon amount per £25,000 Note will be £653.77 psyable on 7th November, 1986.

Morgan Grenfell & Co. Limited Agent Bank

PAN-HOLDING SOCIETE ANONYME

LUXEMBOURG After payment on July 1, 1986, o a dividend of US\$5.60 per share. In respect of the yeer 1985 (coupoe no. 51), the unconsolidated net asset value as of July 31, 1986 emounted to US\$332.26 per share of US\$50 per value.

per shere amounted as of July 31, 1986 to US\$345.83.

Brasilvest S.A. Net asset value as of 31st July, 1986

per Depositary Share:

Due May 1, 1989

The Notes shell become due and payable on the Redemption Date at the Redemption Price, plus accrued interest, which shall be paid upon presentation and surrender of Notes together with ell eppursenant interest coupons maturing subsequent to the Redemption Date. Payment will be made in U.S. Dollars, subject to epplicable lews and reguletions, et the paying agents listed below which are the main offices of Morgan Guaranty Trust Company, the Fiscal and Peying Agent, in the Cities of New York, London, Brussels, Frankfurt and Paris; the main office of Swiss Bank Corporation in Basle and the main office of Kredletbank S.A.

Peyments at the office of emy paying egent outside of the United States will be made by check drawn on a United States dollar account, or by transfer to a dollar account maintained by the Note holders, with a bank in the City of New York. Any payment made by transfer to an account maintained by the peyee with e bank in the United States may be subject to reporting to the United States Internal Revenue Service (IRS) and to backup withholding at e rate of twenty (20%) if payees not recognised es exempt recipients fail to provide the peying agent with an executed IRS Form W-9, certifying under penelties of parjury that the payee is not e United States person or an executed IRS Form W-9, certifying under penalties of perjury the peyee's taxpeyer identification number (employer identification number or social security number, as appropriate). Those holders who are required to provide their correct taxpeyer identification number on Internal Revenue Service Form W-9 and who fail to do so may also be subject to a penalty of fifty dollars (SSO).

The Notes to be redeemed will no longer be outstanding on end after the Redemption Dete, interest on the Notes will cease to eccrue from end after the Redemption Date, the coupons for such interest shall be void, and the sole right of a Note holder shall be to receive the Redemption Price plus Interest accrued on such Note to the Redemption Date.

Morgan Guaranty Trust Company of New York 30 West Broadway

43, Boulevard Royal

Boite Postale 1108 Luxembourg, Luxembourg

Morgan Guaranty Trust Company of New York

Company of New York Avenue des Arts, 35 1040 Brussels

Mainzer Landstrasse 46 6000 Frankfurt am Main Federal Republic of Germany Paris 75001

Dated: August 8, 1986

Waddell says that the company may push up wages again if the Chamber and the National Union of Mineworkers solve their present dispute by agreeing on a higher increase.

Besides implementing the Chamber of Mines' recent increase, Impala raised black workers' wages shortly after the labour upheavals at its mines last February.

Rustenburg will have no trouble affording higher wages—which make np half its total costs—if the platinum price remains strong. But what if it falls?

Beneath bis optimism. Mr

change very quickly." Rusten-burg suffered a severe liquidity crunch in 1981-82 when precious metal prices fell sharply and inventories rose. The platinum market has proved in the past

### Debt free

weakening market. "People should abandon any notion that Rustenburg will be the seller of last resort," Mr Waddell says.

per Cz\$ Share: 44.446.00

per Depositary Share: (Third Series) U.S.\$23,694.87

per Depositary Share: (Fourth Series) U.S.\$22,136.03

Variation of the second

 $S_{i}^{n} \in \mathcal{A}$ 

**NOTICE OF REDEMPTION** 

### PHILLIPS PETROLEUM INTERNATIONAL FINANCE N.V.

U.S. \$200,000,000 14% Guaranteed Notes

NOTICE IS HEREBY GIVEN thet, pursuant to paragraph S(e) of the Terms and Conditions of the Notes described above (the "Notes"), and paragraph 6 of the Fiscal and Paying Agency Agraement dated as of May 1, 1982, Phillips Petroleum International Finance N.V. has elected to and shall redeem on September 9, 1986 (the "Redemption Dete") all outstanding Notes at a redemption price of 1011% of the principal amount thereof (the "Redemption Price"), together with accrued interest to the Redemption Dete.

Luxembourgeoise In Luxembourg.

Please therefore, provide the appropriate certification when presenting your securities for

New York, New York 10015 Kredietbank S.A.

Morgan Gueranty Trust Company of New York Morgan House, I Angel Court London ECZR 7AE Swiss Benk Corporation Aeschenvorstadt No. 1 Basle, CH 4002

> Belgium Morgan Guaranty Trust Company of New York 14 Placa Vendome

Morgan Guaranty Truse

PHILLIPS PETROLEUM INTERNATIONAL FINANCE N.V. By: Morgan Guaranty Trust Company of New York, Fiscal and Peying Agent

1

Gold Fields of South Africa earlier this year announced plans to build a new platinum mine in the north-west Transvaal. Rustenburg is thus hesitant about pressing ahead with the exploitation of its deposits in the Maandagshoek area of Lebowa in the north-east Transvani

per Depositary Share: U.S.\$29,649.99

### INTERNATIONAL COMPANIES AND FINANCE

### **Sumitomo** Chemical plunges into the red

No.

Persons Annuage

els irre

Ald I would be seen a s

French Control of the Control of the

-----

Branheast

Ber arbei eggete.

part til fill ettare niget. grant for product up that is per Gen . ander 1 Approx ( Spring )

Bed of the second second 4,275 garage to see you w

-----

Seed Bereit affe

By Yoko Shibata in Tokyo

SUMITOMO CHEMICAL, one of Japan's largest comprehensive chemical makers, showed a 45.3 per cent slide in pre-tax profits in the half-year to June to Y9.86bn (\$63.9m) and fell SUMITOMO CHEMICAL, one to Y9.86bn (\$63.9m) and fell into the red at the net level. Not losses were Y17.7bn compared with the previous year's net profits of Y6.52bn.

Half-year sales declined by 16 per cent, from Y334.02bn to Y281.33bn, affected by lower It is my hope prices of petrochemical products and a decline in profit-ability of agricultural chemical and fine chemical product exports.

The net loss came despite obtained from the sales of special profits of Y8.84bn equities in its portfolio.

For the full year, pre-tax profits are forecast to plunge 31 per cent to Y20bn, on sales of Y8.84bn are sales

of Y530bn, down 20 per cent.

 Asahi Glass, a leading Japanese manufacturer of glass, chemicals and ceramics, showed a 5 per cent fall in un-consolidated pre-tax profits to Y26.45hn (\$171.3m) in the June half-year, attributed to sluggish demand for glass products from export industries such as makers of television sets and day, appeared to be heading central bank, to probe the use back towards the year's low of Rs 225, from where they started the climb in January to the peak of Rs 394 in buttress the successful flotation makers of television sets and cars, and capital investment spending for future expansion.

Net profits were 1.5 per cent lower at Y13.81bn, on turnover of Y348.49bn—up 7.8 per cent. Net earnings per share were sligbtly down from Y13.56 to Y13.34, while the interim dividend is nnchanged at Y4.

Full-year turnover is expected.

dend is inchanged at Y4.

Full-year turnover is expected to grow 5 per cent to Y710bn.

Net profits are projected at Y29bn, down 2 per cent from the previous year:

Net profits are projected at Y29bn, down 2 per cent from the previous year:

Reliance's corporate head two days earlier.

### Wickes bids \$2bn for Owens-Corning

BY OUR FINANCIAL STAFF

OWENS-CORNING Fiberglas, the of all Owens-Corning Fiberglas US building products group, bas shareholders.
confirmed that it has received a Wickes owns about 8 per cent to

hankrupicy. Corning, said: "Neturally, our board is fully aware of its fiduciary revalues Owens-Corning at more than sponsibilities and would give appro-\$2bn. The announcement of the bid priate consideration to any responpared with the previous year's net profits of Y6.52bn.

The poor showing was blamed on the deteriorating profitability of its-exports. This was in turn due to the yen's steep appreciation and a beavier interest payment burden.

Another factor was a rise in further 5% to \$75%. further 5% to \$75%.

Another factor was a rise in fixed costs owing to its purchase of Sumitomo Aluminium Smelting's aluminium division for Y25hn at the end of last year.

Another factor was a rise in fixed costs owing to its purchased of Sumitomo Aluminium division chairman and chief executive officer, said he asked Mr William Boeschenstein said his company was extremely concerned about trading in its stock without man, for a meeting to discuss the cause of that unusual activity. the cause of that unusual activity.

"It is my hope that Owens-Corn- He stated that Owens-Corning had ing Fiberglas management will respond favourably to my request for cerning a filing by Wickes.

a meeting, since I believe the
Wickes offer is in the best interest cy a year and a half ago.

BY R. C. MURTHY IN BOMBAY

SHARE VALUES of Reliance

ing company, bave plummetted

by more than a third over the

(\$47.8m) in loans extended by

dozen Indian and foreign

mid-June.

credit by Russia

THE Soulet Union's Back for Foreign Trade is arranging a £100m sterling banker's acceptances lacility, its first barrow-ing of this kind. The transaction is also unusual because

The transaction has become The transaction has become possible because the Bank of England bas agreed to treat bills drawn by the Bank for Foreign Trade, and then accepted by banks, as eligible for redisconnt. It will therefore bmy Soviet bills accepted to the same way.

Landesbank Rheinland-Pfalz Girozentrale lifted first-half operating profits to DM 127m (\$61m), 22.5 per cent bigber than the rear ago due to a sharp increase in profits from trading on own account. The bank said the result will not

Reliance Inds. shares hit

by newspaper allegations

Industries, India's fastest grow- nerved by an announcement last

. The shares, at Rs 258 yesler- Bank of India, the country's

The slide followed Indian made by Reliance last year, but press atlegations that Rs 600m Mr Dhirubhai Ambani, Retiance

Investors were further un-

week by Mr V. P. Singh. India's finance minister, setting

up a committee headed by a

depuly governor of the Reserve

of Rs 3.7bn debenture Issue

chairman, deuled the allegation The Bombay stock exchange

Listed are the 200 latest international bonds for which there is an adequate secondary market. Closing prices on August 7

FT INTERNATIONAL BOND SERVICE

US DOLLAR	ed tild Offer	Change on
Amoco Co. 9% 16	A 1071 7021-	400 west Years -01 -02 9.53 2 -13 9.36
	A TOST 7071	9 -12 936
Atlain, Richfield 104, 00 25 Australia Corn, 11 25 25 Australia Corn, 11 25 25 Australia Corn, 11 25 25 BP Capital 11 27 Carephell Scopt 10 295 Canada 9 96. 30 Canada 11 2 90 50 Canada Pet. 10 3 93 50	0 110, 120, 0 1191, 1141,	-014 -012 8.66 -014 -013 9.56 -014 -014 8.53 -014 -015 8.56 -012 -012 7.99 -014 7.45 0 -014 7.45
BP Capital 94 90	1027 1099	-04 -04 8.53
BP Capital 111 92	1007 1007 1005 1097 1101 1111	-04 -04 838
Campbell Soup 102 95 10	1101, 1111	-0101- 200
Cassada 1112 90	1061, 1961, 0 1124, 1123,	-De -6 7.45
Canadian Pac. 104, 93 18	0 701, 700, 0 701, 700,	· ····· 9.05
CULCOLD TO 88	6 1043 1065	6 B4 B34
Citicorp 10% 95 20	4 106 . 1064	-64 -64 9.57
Credit Lyumais 991 20 Credit National 94 93 15	1037, 1047	-01, -01, 7,87
Credit National Fg 93 15 Denmark Kingdom 74 73 Denmark Kingdom 84 91 Denmark Kingdom 84 91 Denmark Kingdom 111 9 92	0 1964, 1984, 1984, 1124, 1124, 1124, 1124, 1865, 0 1864, 1864, 1864, 1864, 1864, 19	0 8 7.55 -84 -64 9.57 -84 -64 7.87 -94 -64 8.09 8 7.80 -64 -64 8.04
Denmark Kingdom 74, 93 25 Denmark Kingdom 84, 91, 36	0 1011, 102	7.00
Decimark Topolin, 1119 92 18 EDG 812 92 18 EEC 814 90 116 EEC 814 90 116 EEC 914 90 116	0 1024 1024	-OO. ED4
EEC 84 96	0. 1014 1017	-04 -09 8.00
EEC 85 91	0 10374 10474	-04 +04 7.53
EEC 9-1 90 35	0 1054 106 0 1104 1105	-04 -04 7.12
EIB 104 94 20	110° 110° 0 1211 122° 0 110° 111°	-01 -0- E32
Export Dev. Cpn. 10 90 10	0 1104 1114	0 +0 7.12
Export Dev. Cpn. 10 90 10 Fed. Dep. Strs. 104 95 30	0 1091 1107	-01 -01 8.46
Ford Motor Gred 1052 91 15	3002 1974	-04 0 8.35
Ford Motor Cred. 11 90 10	0 300% 309%	-0, -0, 833
GMAC 104 89 20	0 1064 1064	0 0 7.59
Gen. Elec. Cred. 11% 00	0 3007 3017	-04 -04 827
IADS 9% 95 29	0 105% 115%	-04 -01 828
Merrill Lynch 84 91 18	0 1002 1074 0 1005 1074 0 1004 1064 0 1064 1064 0 1074 1074 0 1074 1164 0 1074 1164	-0° +0° 7.99
New Zealand 74 90 19	79, 993	-01 -02 7.95 -04 -05 7.95 -04 -05 7.95 -04 -05 7.92 -04 -05 7.92 -04 -05 7.92 -04 -05 8.35 -05 -05 -05 8.35 -05 -05 -05 8.35 -05 -05 -05 8.35 -05 -05 -05 8.35 -05 -05 -05 8.35 -05 -05 8.35 -05 -05 8.35 -05 -05 8.35 -05 -05 8.35 -05 -05 8.35 -05 -05 8.35 -05 -05 8.35
New Zealand 8%, 43 : 15	a 3100° 100° a	-04 -01 834
Camada 9 96 309 Camada 112 90 309 Camada 112 90 55 Camada 112 90 55 Camada 112 90 55 Camada 112 90 55 Camada 112 90 309 Caticorp 10 8 309 Citicorp 10 8 309 Citicorp 10 8 309 Citicorp 10 8 97 20 Credit National 9 97 20 Credit National 9 97 32 Ceredit National 9 32 EEC 8 9 90 32 EEC 8 9 91 32 EEC 8 91 32 EEC 8 9 91 32 EEC 8 9 91 32 EEC 8 91 32 EEC	0 104 106 2 0 106 106 106 106 106 106 106 106 106 10	0 -04 813 -04 -04 845 -04 -04 854 -04 -04 854 -04 +05 945 -14 -14 975 0 -05 818
Priet. & Garnt, 'M. '73, '92 Pru Reality Sees. 124, '95 94 Quitas Airways 104, '95 14 Queersland Covt. 104, '95 15 Raiston Purlua 114, '95 15 Sasti Scania 79, 91 18 Sastictewayan 104, '92 10	6 116 1165	-01, -01, 9,25
Overnsland Covt. 104 95 16	0 3094 109%	-N- +0* 145
Ratston Porina 114 95 15	a time mig	-14 -14 9.72
Saskatchewan 104 92 30	5 100 105 111 112	-62 212
Scandinavia Air. 104 95 15	0 1074 1034 0 11024 1034	-04 -04 8.55
State Bk. S. Aust. 94 93 10	41024 3034	-0. +02 841
Sustail 10 90	118 111	-0. 0 1.30
Swed Exp. Cred, 10 92 10	0 2094 2094	-D4 -D4 7.89
Swed Exp. Cred, 10 92 10 Sweden 84, 96 20 Sweden 104, 92 25	0 10% 110 0 10% 1004 0 1064 1074 0 1064 1074 0 10% 10% 0 10% 10% 0 10% 10% 0 111 1112	-04 404 8.07
Sweden Kgdm. 10% 90 29	110, 110	-04 7.59
Sweden Kodm. 107, 90 20 Sweden Kodm. 11 t. 94 10 Toyota Motor Cred. 8 89 10	110- 110- 116- 116- 1611- 101-	-04 -04 2.07
Toyota Motor Cred. 8 89 10 Victorian Rep. 11's 92 15	113, 113,	-OL +OL 254
World Bank 81 <sub>2</sub> 2016	1134, 1135, 135, 135, 1024, 1625, 1045, 1055, 1124, 1135,	
World Bank 94, 2016 30	9 1024 1022 9 1045 1054	-81 -1 9.01
World Bank 91, 2016 30 World Bank 101, 95 30	1121 113	-44 123
		- P2 P1 - EAD
Yasoda 7rost Fin. 612 93 300	1017 1017	+64 +64 278
Average price changes	0. 101% 101% on day -0%	+04 +04 2.15
Average price changes DEUTSCHE MARK.		+04 +02 8.18 10 treek -04 Change on
Average price changes DEUTSCHE MARK.		-05 -05 8.15 +04 +05 8.16 in truck -05 Change on day week Yidd -5a +15 8.59
Average price changes DEUTSCHE MARK.		-04 -04 8.10 +04 +04 8.10 In truck -04 day week Yald -04 +14 6.59 +04 +05 6.35
Average price changes DEUTSCHE MARK.		-05 -05 8.05 +06 +05 8.05 m week -05 -07 week Yield -07 +15 6.57 +04 +05 6.35 2 2 6.25
Average price changes DEUTSCHE MARK.		-95 -95 2.55 +864 +874 2.15 m week -954 egy week Yield -854 +374 6.55 2 2 4.21 -954 6.55 -954 6.55
Average price changes DEUTSCHE MARK.		-Dy -Dy 203 +D4 +D2 203 IN week -D4 -Dy +114 5.59 +D4 +D5 6.33 2 2 6.25 -D4 6.59 +D4 6.36 +D4 6.36 +D4 6.36 +D4 6.36
Average price changes DEUTSCHE MARK.		- Dr Dr.
Average price champes  DEUTSCHE MARK.  STRAHMT3 Serve Asian Dev. Bank 8 94 28  Austrien Elec. Co. 6½ 95  BMW 54, 96 29  Downler Berz int 54, 07 50  Dow Chemical 54, 95 38  E18 54, 96 38  E18 54, 96 38  E18 54, 96 38		- Pri - Pri - 2.15  - Pri - Pri - 2.15  - Pri - Pri - Pri - 2.15  - Pri - Pri - Pri - 2.15  - Pri - Pri -
Average price champes  BEUTSCHE MARK.  STEARMTS  Asian Dev. Bank 8 94		- Pr Pr. 2.15 - Pr Pr. 2.15 - Pr Pr Pr. 2.15 - Pr Pr Pr Pr. 2.15 - Pr P
Average price champes DEUTSCHE MARK. STEARMYS Astan Dev. Bank 8 94	184 075 1965 1965 1965 1965 1965 1965 1965 196	Change on the control of the control
Average price champes DEUTSCHE MARK. STEARMTS Asian Dev. Bank 8 94	184 075 1965 1965 1965 1965 1965 1965 1965 196	Change on the control of the control
Average price champes DEUTSCHE MARK. STEARMTS Asian Dev. Bank 8 94	184 075 1965 1965 1965 1965 1965 1965 1965 196	Change on the control of the control
Average price champes DEUTSCHE MARK. STEARMTS Asian Dev. Bank 8 94	184 075 1965 1965 1965 1965 1965 1965 1965 196	Change on the control of the control
Average price champes DEUTSCHE MARK. STEARMYS Astan Dev. Bank 8 94	184 075 1965 1965 1965 1965 1965 1965 1965 196	Change on the control of the control
Average price champes DEUTSCHE MARK. STEARMTS Asian Dev. Bank 8 94	184 075 1965 1965 1965 1965 1965 1965 1965 196	Change on the control of the control
Average price champes  DEUTSCHE MARK.  STEARMTS  Asian Dev. Bank 8 94	184 075 1965 1965 1965 1965 1965 1965 1965 196	Change on the control of the control
Average price champes  DEUTSCHE MARK.  STEARMTS  Asian Dev. Bank 8 94	1 100   100	Change on the control of the control
Average price champes  DEUTSCHE MARK.  STEARMTS  Asian Dev. Bank 8 94	1 100   100	Change on the control of the control
Average price champes  SEUTSCHE MARK  STRANSITS  Asian Dev. Bank 8 94 290  Austrian Elec. Co. 65g 95 380  BMW 55g 96 200  Dow Chemical 55g 96 390  Ells 55g 96 380  Ells 55g 96 380  Ells 57g 95 380  Ells 57g 96 380  Ells 57g 96 380  Endrart Corriso 55g 96 390  ExIm. Bl. Koree 75g 90 100  Finland Republic 7 92 100  Hydro Quebec 5 2016 124  Hydro Quebec 5 2016 125  Korea Dev. Bank 65g 95 125  Korea Dev. Bank 65g 95 126  Korea Dev. Bank 65g 97 120  Mitsubishi M. 33g 99 WW 300  Renfe 74g 95  Soc. Cart. Newbook 75g 3125  Soc. Cart. Resident 75g 95 326	1 100   100	Change on the control of the control
Average price champes  SEUTSCHE MARK  STRANSITS  Asian Dev. Bank 8 94 290  Austrian Elec. Co. 65g 95 380  BMW 55g 96 200  Dow Chemical 55g 96 390  Ells 55g 96 380  Ells 55g 96 380  Ells 57g 95 380  Ells 57g 96 380  Ells 57g 96 380  Endrart Corriso 55g 96 390  ExIm. Bl. Koree 75g 90 100  Finland Republic 7 92 100  Hydro Quebec 5 2016 124  Hydro Quebec 5 2016 125  Korea Dev. Bank 65g 95 125  Korea Dev. Bank 65g 95 126  Korea Dev. Bank 65g 97 120  Mitsubishi M. 33g 99 WW 300  Renfe 74g 95  Soc. Cart. Newbook 75g 3125  Soc. Cart. Resident 75g 95 326	1 100   100	Change on the control of the control
Average price champes  SEUTSCHE MARK  STRANSITS  Asian Dev. Bank 8 94 290  Austrian Elec. Co. 65g 95 380  BMW 55g 96 200  Dow Chemical 55g 96 390  Ells 55g 96 380  Ells 55g 96 380  Ells 57g 95 380  Ells 57g 96 380  Ells 57g 96 380  Endrart Corriso 55g 96 390  ExIm. Bl. Koree 75g 90 100  Finland Republic 7 92 100  Hydro Quebec 5 2016 124  Hydro Quebec 5 2016 125  Korea Dev. Bank 65g 95 125  Korea Dev. Bank 65g 95 126  Korea Dev. Bank 65g 97 120  Mitsubishi M. 33g 99 WW 300  Renfe 74g 95  Soc. Cart. Newbook 75g 3125  Soc. Cart. Resident 75g 95 326	1 100   100	Tange or 12 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
Average price champes  SEUTSCHE MARK.  STRARHTS  Asian Dev. Bank 8 94 200  Autorium Evec. Co. 65g 95 32  BMW 59, 96 200  Down Chemical 55g 90 300  Down Chemical 55g 95 300  E18 57g 96 300  E18 57g 97 300  E18 57g 98 300  E18 57g 99 300  Enterfirms 57g 90 300  Ext. Jm. Bk. Koree 77g 90 300  Finland Republic 7 92 300  Hydro Quebec 52 96 320  Hydro Quebec 52 96 320  Hydro Quebec 52 96 320  Korest Dev. Bank 65g 93 300  Mitsubishi M. 30g 87g WW 300	1 100   1007   1	Tange or 12 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
Average price champes  DEUTSCHE MARK.  STRARHTS  Asian Dev. Bank 8 94 20  Autolian Elec. Co. 6/2 95 38  BMW 54, 96 20  Dow Chemical 5/4, 95 30  Dow Chemical 5/4, 95 30  Ell 8 52, 98 30  Ell 8 64 95 30  Ell 8 64 95 30  Ell 8 74 94 30  Emart Corps. 6/4, 95 125  Euroffma 5/4, 96 30  Ex. Jm. Bh. Koree 7/2 90 100  Finland Republic 7 92 100  Finland Republic 7 92 100  Hydro Quebec 5/2 96 125  Hydro Quebec 5/2 96 125  Koren Dev. Bank 6/4, 93 130  Krischishi M. 3/4, 87 97 30  Mitsubishi M. 3/4, 97 30  Soc. Cent. Nuclear 7/4 95. 30  Soc. Cent. Nuclear 7/4 95. 30  Vorichire Intl. 6/4, 2001 200  Vorichire Intl. 6/4, 2001 200	100 Met 07 met 0 m	Tange or 12 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
Average price champes  DEUTSCHE MARK.  STRARHTS  Asian Dev. Bank 8 94 20  Autolian Elec. Co. 6/2 95 38  BMW 54, 96 20  Dow Chemical 5/4, 95 30  Dow Chemical 5/4, 95 30  Ell 8 52, 98 30  Ell 8 64 95 30  Ell 8 64 95 30  Ell 8 74 94 30  Emart Corps. 6/4, 95 125  Euroffma 5/4, 96 30  Ex. Jm. Bh. Koree 7/2 90 100  Finland Republic 7 92 100  Finland Republic 7 92 100  Hydro Quebec 5/2 96 125  Hydro Quebec 5/2 96 125  Koren Dev. Bank 6/4, 93 130  Krischishi M. 3/4, 87 97 30  Mitsubishi M. 3/4, 97 30  Soc. Cent. Nuclear 7/4 95. 30  Soc. Cent. Nuclear 7/4 95. 30  Vorichire Intl. 6/4, 2001 200  Vorichire Intl. 6/4, 2001 200	100 Met 07 met 0 m	Tange or 12 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
Average price champes  DEUTSCHE MARK.  STRARHTS  Asian Dev. Bank 8 94 200  Autolian Elec. Co. 6/2 95 38  BMW 54, 96 200  Dow Chemical 5/4, 95 300  Ell 8 52, 98 300  Ell 8 54, 95 300  Ell 8 54, 95 300  Ell 8 54, 95 300  Ell 8 74, 94 300  Emarc Corps. 6/4, 95 125  Euroffma 5/4, 96 300  Ex. Jm. Bh. Koree 7/2 90 100  Finland Republic 7 92 100  Finland Republic 7 92 100  Hydro Quebec 5/2 96 125  Hydro Quebec 5/2 96 125  Koren Dev. Bank 6/4, 93 130  KY Elsam 6/4, 93 130  KY Elsam 6/4, 93 130  Kresubschil M. 3/2, 67 97 300  Mitsubschil M. 3/2, 67 97 300  Kill Start 7 95 100  Soc. Cent. Nuclear 7/4 95. 300  Vorichire Intl. 6/4, 2001 200  Vorichire Intl. 6/4, 2001 200  Average price champes	100 Met 07 met 0 m	Tange or 12 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
Average price champes  DEUTSCHE MARK.  STRARHTS  Asian Dev. Bank 8 94 200  Autolian Elec. Co. 6/2 95 38  BMW 54, 96 200  Dow Chemical 5/4, 95 300  Ell 8 52, 98 300  Ell 8 54, 95 300  Ell 8 54, 95 300  Ell 8 54, 95 300  Ell 8 74, 94 300  Emarc Corps. 6/4, 95 125  Euroffma 5/4, 96 300  Ex. Jm. Bh. Koree 7/2 90 100  Finland Republic 7 92 100  Finland Republic 7 92 100  Hydro Quebec 5/2 96 125  Hydro Quebec 5/2 96 125  Koren Dev. Bank 6/4, 93 130  KY Elsam 6/4, 93 130  KY Elsam 6/4, 93 130  Kresubschil M. 3/2, 67 97 300  Mitsubschil M. 3/2, 67 97 300  Kill Start 7 95 100  Soc. Cent. Nuclear 7/4 95. 300  Vorichire Intl. 6/4, 2001 200  Vorichire Intl. 6/4, 2001 200  Average price champes	100 Met 07 met 0 m	Tange or 12 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
Average price champes  DEUTSCHE MARK.  STRARHTS  Asian Dev. Bank 8 94 200  Autolian Elec. Co. 6/2 95 38  BMW 54, 96 200  Dow Chemical 5/4, 95 300  Ell 8 52, 98 300  Ell 8 54, 95 300  Ell 8 54, 95 300  Ell 8 54, 95 300  Ell 8 74, 94 300  Emarc Corps. 6/4, 95 125  Euroffma 5/4, 96 300  Ex. Jm. Bh. Koree 7/2 90 100  Finland Republic 7 92 100  Finland Republic 7 92 100  Hydro Quebec 5/2 96 125  Hydro Quebec 5/2 96 125  Koren Dev. Bank 6/4, 93 130  KY Elsam 6/4, 93 130  KY Elsam 6/4, 93 130  Kresubschil M. 3/2, 67 97 300  Mitsubschil M. 3/2, 67 97 300  Kill Start 7 95 100  Soc. Cent. Nuclear 7/4 95. 300  Vorichire Intl. 6/4, 2001 200  Vorichire Intl. 6/4, 2001 200  Average price champes	100 Met 07 met 0 m	
Average price champes  DEUTSCHE MARK.  STRARHTS  Asian Dev. Bank 8 94 200  Autolian Elec. Co. 6/2 95 38  BMW 54, 96 200  Dow Chemical 5/4, 95 300  Ell 8 52, 98 300  Ell 8 54, 95 300  Ell 8 54, 95 300  Ell 8 54, 95 300  Ell 8 74, 94 300  Emarc Corps. 6/4, 95 125  Euroffma 5/4, 96 300  Ex. Jm. Bh. Koree 7/2 90 100  Finland Republic 7 92 100  Finland Republic 7 92 100  Hydro Quebec 5/2 96 125  Hydro Quebec 5/2 96 125  Koren Dev. Bank 6/4, 93 130  KY Elsam 6/4, 93 130  KY Elsam 6/4, 93 130  Kresubschil M. 3/2, 67 97 300  Mitsubschil M. 3/2, 67 97 300  Kill Start 7 95 100  Soc. Cent. Nuclear 7/4 95. 300  Vorichire Intl. 6/4, 2001 200  Vorichire Intl. 6/4, 2001 200  Average price champes	100 Met 07 met 0 m	
Average price champes  DEUTSCHE MARK.  STRARHTS  Asian Dev. Bank 8 94 200  Autolian Elec. Co. 6/2 95 38  BMW 54, 96 200  Dow Chemical 5/4, 95 300  Ell 8 52, 98 300  Ell 8 54, 95 300  Ell 8 54, 95 300  Ell 8 54, 95 300  Ell 8 74, 94 300  Emarc Corps. 6/4, 95 125  Euroffma 5/4, 96 300  Ex. Jm. Bh. Koree 7/2 90 100  Finland Republic 7 92 100  Finland Republic 7 92 100  Hydro Quebec 5/2 96 125  Hydro Quebec 5/2 96 125  Koren Dev. Bank 6/4, 93 130  KY Elsam 6/4, 93 130  KY Elsam 6/4, 93 130  Kresubschil M. 3/2, 67 97 300  Mitsubschil M. 3/2, 67 97 300  Kill Start 7 95 100  Soc. Cent. Nuclear 7/4 95. 300  Vorichire Intl. 6/4, 2001 200  Vorichire Intl. 6/4, 2001 200  Average price champes	100 Met 07 met 0 m	
Average price champes  DEUTSCHE MARK.  STRARHTS  Asian Dev. Bank 8 94 200  Autolian Elec. Co. 6/2 95 38  BMW 54, 96 200  Dow Chemical 5/4, 95 300  Ell 8 52, 98 300  Ell 8 54, 95 300  Ell 8 54, 95 300  Ell 8 54, 95 300  Ell 8 74, 94 300  Emarc Corps. 6/4, 95 125  Euroffma 5/4, 96 300  Ex. Jm. Bh. Koree 7/2 90 100  Finland Republic 7 92 100  Finland Republic 7 92 100  Hydro Quebec 5/2 96 125  Hydro Quebec 5/2 96 125  Koren Dev. Bank 6/4, 93 130  KY Elsam 6/4, 93 130  KY Elsam 6/4, 93 130  Kresubschil M. 3/2, 67 97 300  Mitsubschil M. 3/2, 67 97 300  Kill Start 7 95 100  Soc. Cent. Nuclear 7/4 95. 300  Vorichire Intl. 6/4, 2001 200  Vorichire Intl. 6/4, 2001 200  Average price champes	100 Met 07 met 0 m	
Average price champes  DEUTSCHE MARK.  STRARHTS  Asian Dev. Bank 8 94 200  Autolian Elec. Co. 6/2 95 38  BMW 54, 96 200  Dow Chemical 5/4, 95 300  Ell 8 52, 98 300  Ell 8 54, 95 300  Ell 8 54, 95 300  Ell 8 54, 95 300  Ell 8 74, 94 300  Emarc Corps. 6/4, 95 125  Euroffma 5/4, 96 300  Ex. Jm. Bh. Koree 7/2 90 100  Finland Republic 7 92 100  Finland Republic 7 92 100  Hydro Quebec 5/2 96 125  Hydro Quebec 5/2 96 125  Koren Dev. Bank 6/4, 93 130  KY Elsam 6/4, 93 130  KY Elsam 6/4, 93 130  Kresubschil M. 3/2, 67 97 300  Mitsubschil M. 3/2, 67 97 300  Kill Start 7 95 100  Soc. Cent. Nuclear 7/4 95. 300  Vorichire Intl. 6/4, 2001 200  Vorichire Intl. 6/4, 2001 200  Average price champes	100 Met 07 met 0 m	
Average price champes  DEUTSCHE MARK.  STRARHTS  Asian Dev. Bank 8 94 200  Autolian Elec. Co. 6/2 95 38  BMW 54, 96 200  Dow Chemical 5/4, 95 300  Ell 8 52, 98 300  Ell 8 54, 95 300  Ell 8 54, 95 300  Ell 8 54, 95 300  Ell 8 74, 94 300  Emarc Corps. 6/4, 95 125  Euroffma 5/4, 96 300  Ex. Jm. Bh. Koree 7/2 90 100  Finland Republic 7 92 100  Finland Republic 7 92 100  Hydro Quebec 5/2 96 125  Hydro Quebec 5/2 96 125  Koren Dev. Bank 6/4, 93 130  KY Elsam 6/4, 93 130  KY Elsam 6/4, 93 130  Kresubschil M. 3/2, 67 97 300  Mitsubschil M. 3/2, 67 97 300  Kill Start 7 95 100  Soc. Cent. Nuclear 7/4 95. 300  Vorichire Intl. 6/4, 2001 200  Vorichire Intl. 6/4, 2001 200  Average price champes	100 Met 07 met 0 m	
Average price champes  DEUTSCHE MARK.  STRARHTS  Asian Dev. Bank 8 94 200  Autolian Elec. Co. 6/2 95 38  BMW 54, 96 200  Dow Chemical 5/4, 95 300  Ell 8 52, 98 300  Ell 8 54, 95 300  Ell 8 54, 95 300  Ell 8 54, 95 300  Ell 8 74, 94 300  Emarc Corps. 6/4, 95 125  Euroffma 5/4, 96 300  Ex. Jm. Bh. Koree 7/2 90 100  Finland Republic 7 92 100  Finland Republic 7 92 100  Hydro Quebec 5/2 96 125  Hydro Quebec 5/2 96 125  Koren Dev. Bank 6/4, 93 130  KY Elsam 6/4, 93 130  KY Elsam 6/4, 93 130  Kresubschil M. 3/2, 67 97 300  Mitsubschil M. 3/2, 67 97 300  Kill Start 7 95 100  Soc. Cent. Nuclear 7/4 95. 300  Vorichire Intl. 6/4, 2001 200  Vorichire Intl. 6/4, 2001 200  Average price champes	100 Met 07 met 0 m	
Average price champes  DEUTSCHE MARK.  STRARHTS  Asian Dev. Bank 8 94 200  Autolian Elec. Co. 6/2 95 38  BMW 54, 96 200  Dow Chemical 5/4, 95 300  Ell 8 52, 98 300  Ell 8 54, 95 300  Ell 8 54, 95 300  Ell 8 54, 95 300  Ell 8 74, 94 300  Emarc Corps. 6/4, 95 125  Euroffma 5/4, 96 300  Ex. Jm. Bh. Koree 7/2 90 100  Finland Republic 7 92 100  Finland Republic 7 92 100  Hydro Quebec 5/2 96 125  Hydro Quebec 5/2 96 125  Koren Dev. Bank 6/4, 93 130  KY Elsam 6/4, 93 130  KY Elsam 6/4, 93 130  Kresubschil M. 3/2, 67 97 300  Mitsubschil M. 3/2, 67 97 300  Kill Start 7 95 100  Soc. Cent. Nuclear 7/4 95. 300  Vorichire Intl. 6/4, 2001 200  Vorichire Intl. 6/4, 2001 200  Average price champes	100 Met 07 met 0 m	
Average price champes  DEUTSCHE MARK.  STRARHTS  Asian Dev. Bank 8 94 20  Autolian Elec. Co. 6/2 95 38  BMW 54, 96 20  Dow Chemical 5/4, 95 30  Dow Chemical 5/4, 95 30  Ell 8 52, 98 30  Ell 8 64 95 30  Ell 8 64 95 30  Ell 8 74 94 30  Emart Corps. 6/4, 95 125  Euroffma 5/4, 96 30  Ex. Jm. Bh. Koree 7/2 90 100  Finland Republic 7 92 100  Finland Republic 7 92 100  Hydro Quebec 5/2 96 125  Hydro Quebec 5/2 96 125  Koren Dev. Bank 6/4, 93 130  Krischishi M. 3/4, 87 97 30  Mitsubishi M. 3/4, 97 30  Soc. Cent. Nuclear 7/4 95. 30  Soc. Cent. Nuclear 7/4 95. 30  Vorichire Intl. 6/4, 2001 200  Vorichire Intl. 6/4, 2001 200	100 Met 07 met 0 m	
Average price champes  DEUTSCHE MARK.  STRARHTS  Asian Dev. Bank 8 94 20  Autolian Elec. Co. 6/2 95 38  BMW 54, 96 20  Dow Chemical 5/4, 95 30  Dow Chemical 5/4, 95 30  Ell 8 52, 98 30  Ell 8 64 95 30  Ell 8 64 95 30  Ell 8 74 94 30  Emart Corps. 6/4, 95 125  Euroffma 5/4, 96 30  Ex. Jm. Bh. Koree 7/2 90 100  Finland Republic 7 92 100  Finland Republic 7 92 100  Hydro Quebec 5/2 96 125  Hydro Quebec 5/2 96 125  Koren Dev. Bank 6/4, 93 130  Krischishi M. 3/4, 87 97 30  Mitsubishi M. 3/4, 97 30  Soc. Cent. Nuclear 7/4 95. 30  Soc. Cent. Nuclear 7/4 95. 30  Vorichire Intl. 6/4, 2001 200  Vorichire Intl. 6/4, 2001 200	100 Met 07 met 0 m	
Average price champes  DEUTSCHE MARK  STRARBITS  Asian Dev. Bank 8 94 294  Austriam Elec. Co. 6/2 95 325  BAW 5/2 96 200  Dow Chemical 5/2 96 200  Dow Chemical 5/2 96 300  Ell 8 5/2 96 300  Ell 8 5/2 96 300  Ell 8 5/2 96 300  End Toron 6/2 95 300  End Toron 6/2 95 300  Ex. Im Bi. Korea 7/2 90 100  Finland Republic 7/92 300  Finland Republic 7/92 300  Finland Republic 7/92 300  Hydro Quebec 5/2 96 320  Hydro Quebec 5/2 97 320  Missabishi M. 3/2 57 WW 300  Missabishi M. 3/2 57 WW 300  Missabishi M. 3/2 57 WW 300  Missabishi M. 3/2 57 W 300  Renfe 7/2 95 320  Sec. Cent. Nuclear 7/2 95 320  Yorkshire Ind. 6/2 2001 200  Yorkshire Ind. 6/2 2001 200  Yorkshire Ind. 6/2 97 37  Chryster 5/2 96 320  Creditarstalt 5/2 94 340  Gen. Occidentarie 4/2 94 360  Gen. S. Klowit, 5/2 95 310  Hydro Sabonou 5/2 97 310  Repaire 5/4 95 310  Palmer Sabonou 5/2 97 310  Repaire 5/4 95 310  Palmer Sabonou 5/2 97 310  Resister Purice 5/4 95 310	100 Met 07 met 0 m	
Average price champes  DEUTSCHE MARK  STRARBITS  Asian Dev. Bank 8 94 294  Austriam Elec. Co. 6/2 95 325  BAW 5/2 96 200  Dow Chemical 5/2 96 200  Dow Chemical 5/2 96 300  Ell 8 5/2 96 300  Ell 8 5/2 96 300  Ell 8 5/2 96 300  End Toron 6/2 95 300  End Toron 6/2 95 300  Ex. Im Bi. Korea 7/2 90 100  Finland Republic 7/92 300  Finland Republic 7/92 300  Finland Republic 7/92 300  Hydro Quebec 5/2 96 320  Hydro Quebec 5/2 97 320  Missabishi M. 3/2 57 WW 300  Missabishi M. 3/2 57 WW 300  Missabishi M. 3/2 57 WW 300  Missabishi M. 3/2 57 W 300  Renfe 7/2 95 320  Sec. Cent. Nuclear 7/2 95 320  Yorkshire Ind. 6/2 2001 200  Yorkshire Ind. 6/2 2001 200  Yorkshire Ind. 6/2 97 37  Chryster 5/2 96 320  Creditarstalt 5/2 94 340  Gen. Occidentarie 4/2 94 360  Gen. S. Klowit, 5/2 95 310  Hydro Sabonou 5/2 97 310  Repaire 5/4 95 310  Palmer Sabonou 5/2 97 310  Repaire 5/4 95 310  Palmer Sabonou 5/2 97 310  Resister Purice 5/4 95 310	### Office   1904   1905   1904   1905   190	
Average price champes  DEUTSCHE MARK  STRARBITS  Asian Dev. Bank 8 94 294  Austriam Elec. Co. 6/2 95 325  BAW 5/2 96 200  Dow Chemical 5/2 96 200  Dow Chemical 5/2 96 300  Ell 8 5/2 96 300  Ell 8 5/2 96 300  Ell 8 5/2 96 300  End Toron 6/2 95 300  End Toron 6/2 95 300  Ex. Im Bi. Korea 7/2 90 100  Finland Republic 7/92 300  Finland Republic 7/92 300  Finland Republic 7/92 300  Hydro Quebec 5/2 96 320  Hydro Quebec 5/2 97 320  Missabishi M. 3/2 57 WW 300  Missabishi M. 3/2 57 WW 300  Missabishi M. 3/2 57 WW 300  Missabishi M. 3/2 57 W 300  Renfe 7/2 95 320  Sec. Cent. Nuclear 7/2 95 320  Yorkshire Ind. 6/2 2001 200  Yorkshire Ind. 6/2 2001 200  Yorkshire Ind. 6/2 97 37  Chryster 5/2 96 320  Creditarstalt 5/2 94 340  Gen. Occidentarie 4/2 94 360  Gen. S. Klowit, 5/2 95 310  Hydro Sabonou 5/2 97 310  Repaire 5/4 95 310  Palmer Sabonou 5/2 97 310  Repaire 5/4 95 310  Palmer Sabonou 5/2 97 310  Resister Purice 5/4 95 310	### Office   1904   1905   1904   1905   190	
DEUTSCHE MARK.  STERRENTS  Asian Dev. Bank 8 94 294 Austriam Elec. Co. 6-6-70 38 BMW 5-4-96 200 Dow Chemical 5-6-96 200 Dow Chemical 5-6-96 300 ElB 5-7-96 300 ElB 6-7-96 300 ElB 6-7-96 300 ElB 6-7-96 300 ElB 7-7-94 300 Embarr Corpa. 6-6-95 300 Ex. Jm. Bh. Kovee 7-7-90 100 Finiland Republic 7-92 200 Horsch Int. Filt. 7-95 100 Hydro Quebec 6-2026 124 Hydro Quebec 6-2026 125 Hudro Quebec 6-2026 126 Hudro Quebec 6-2026 126 Hudro Quebec 6-2026 126 Hudro Quebec 6-2026 126 Horsch Int. Filt. 7-95 120 Hydro Quebec 6-2026 126 Hydro State 7-95 127	### Bit Offer   1904   1905   1904   1905	
Average price champes  DEUTSCHE MARK  STRARBITS  Asian Dev. Bank 8 94 294  Austriam Elec. Co. 6/2 95 32  BAW 5/2 96 200  Dow Chemical 5/2 96 200  Dow Chemical 5/2 96 300  Ell 8 5/2 96 300  Ell 8 5/2 96 300  Ell 8 5/2 96 300  End Toron 6/2 95 300  End Toron 6/2 95 300  Ex. Im Bi. Korea 7/2 90 100  Finland Republic 7/92 200  Horsch Int. Fin. 7 95 100  Hydro Quebec 5/2 96 120  Hydro Quebec 5/2 97 120  Mitspiblih M. 3/2 57 W 300  Hydro Gasta 7 95 100  Sec. Cent. Nuclear 7/2 95 120  Sec. Cent. Nuclear 7/2 95 120  Yorkshire Intl. 6/2 2001 200  Yorkshire Intl. 6/2 2001 200  Hydro Gasta 7 95 120  Gent Occidentair 4/2 94 120  Gent Occidentair 4/2 94 120  Gent Occidentair 5/2 97 120  Hydro Salan Steel 3/2 97 120  Palette 5/4 95 120  Pal	### Bit Offer   1904   1905   1904   1905	18 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
DEUTSCHE MARK  STRARHTS  Aslan Ow. Bank 8 94 20  Austrian Elec. Co. 62 95 35  BMW 54 96 20  Dow Chemical 54 95 30  ElB 54 96 35  ElB 64 95 30  ElB 74 94 35  ElB 74 96 30  ElB 74 96 30  ElB 74 96 30  ElB 74 96 30  Ex-lim Ba. Kovez 73 90 10  Finland Republic 7 92 10  Horsch Int. Fin. 7 95 10  Hydro Quebec 6 2026 134  ISJ 54 96 10  ISJ 54	### 1974   1974	
DEUTSCHE MARK.  STERRENTS  Asian Dev. Bank 8 94 294 Austriam Elec. Co. 6-6-70 38 BMW 5-4-96 200 Dow Chemical 5-6-96 200 Dow Chemical 5-6-96 300 ElB 5-7-96 300 ElB 6-7-96 300 ElB 6-7-96 300 ElB 6-7-96 300 ElB 7-7-94 300 Embarr Corpa. 6-6-95 300 Ex. Jm. Bh. Kovee 7-7-90 100 Finiland Republic 7-92 200 Horsch Int. Filt. 7-95 100 Hydro Quebec 6-2026 124 Hydro Quebec 6-2026 125 Hudro Quebec 6-2026 126 Hudro Quebec 6-2026 126 Hudro Quebec 6-2026 126 Hudro Quebec 6-2026 126 Horsch Int. Filt. 7-95 120 Hydro Quebec 6-2026 126 Hydro State 7-95 127	### 1974   1974	

Change an	
OTHER STRAIGHTS fromed Bid Offer stay week Yield Amen, Ex. Os. Cr. O 91 A5 100 51% 52% +8% -0% 15.00	
Fine Finance 142, 89 AS	
Cantalan Par 105 40 CS 75 4985 985 a.D. 485 1878	
Chrysler Fig. C. 10 91 CS 75 1912, 922, -04 -05 11.68 Genstar Fig. 111, 95 CS 75 11064, 1074, -04 409, 12.47 GMAC 94, 92 CS 75 1934, 934, -05 -04, 10.77	
6MAC 94 92 C3 75 1934 934 -01 -04 10.77	
ROPAL Trestor 10% 90 CS (5) THE TRY = 6% - 69 10.07	
Scars Acc. 10% 92 CS	
Demock 174 89 NS 50 +994 100 0 -694 17 43	
Unilever Cap. 17'2 69 NS 50 109'2 104'4 0'4 +0'4 15.67 Copenhagen City 9 95 Ecu 40 105'4 195'4 +0'4 -6'4 8.14	
EIB 85, 93 Fox 280 2055 104 -65 -61 7.62	
Walt Dianey 81, 94 Ecu	
Hoods Mtr. XW 374 90 Ft 100 9734 9754 464 464 629	
Thesen 71, 90 FT 50 104 1045 with 484 4 04	
Werkflame 7/2 90 F1	
Westaned 64, 90 Ft 50 1002, 103 0 +04, 5,97 Amer 11 73 £ 50 1002, 102 -04, -04, 18.54 Anstrulia Com. 11 72 £ 40 1202 1002, -04, -04, 18.42	
CMACINES INLERS IN 181 1811 -MAL 1986	
GMAC UK Fer. 1012 905	
1000 Com. 1005 104 92 £ 75 1004 1014 -04 -1 1051	
Invst to Inds, Int. 10 93 £ 60 973 974 -05 -11 1852 Leeds Bld. Soc. 10 91 £ 58 994 1004 -02 -03 10.50	
McDonalds 107-90 £ . 40 +1821- 1025- 6 61- 10.04	
MSW Treasury 105-92 C., 58 997, 1803, J.O65, 10.57	
Royal Insce. 104 92 5 60 +1014 1024 -04 -04 1024	
J. Seinsbury 107, 93 £ 40 101 101/2 -0% -14 18.57 Tsthse. Forte 114, 90 £ 50 \$1814 1804 2 -1 10.61	
World Bank 114 95 £ 100 107 1094 -04 -04 9.63	
World Bank 114 95 £ 160 167 1694 -04 -64 9.41 CoE 87 95 LFr 600 11054 1064 0 +04 7.88 Nat. 1. Alum, 107, 92 LFr 606 11054 1824 3 +14 9.92	
Herr T with To-5 as fall des 19674 1954 5 414 445	
FLBATING RATE	
NOTES Spread Bid Offer Catte Com Alliance & Leic. 8idg. £ 94 8.08 99.69 91.74 18/18 18.08	
Cark of Montreal 90 0.05 100.49 180.59 23/01 5\cdots	
Barclays Bank Perp. 2 045 198.71 199.81 2/91 7.96 Barclays Bank Perp. 2 045 100.37 100.47 14/96 84	
Belgium, Kingdom of 91 9 108.74 198.84 1995 8.06	
BNP 54 95 0.05 102.51 102.61 1261 4.00	
CCF 54 97	
CHICOTO VIS D4 99.83 99.93 2908 7.19	
Credit Lyonnas S 2000 26	
EEC 54 93 Ecu	
Hatifax Blog, Soc. £ 94 62 99.99 99.95 4/06 20.54 Lloyds Bank Perp 64 180.84 108.94 9/12 7/2	
MidRand Bank 2001 £ \$1 99.67 99.77 7/06 10.06	
MRN Mring. Board 5 93 £ 07. 180.31 180.34 26/09 9.96 HatWest Perp. A	
NatWest Perp. B	
New Zeniand S 97 E	
Prodestial Corps. 4 95 E 6.1 99.95 188.65 5/09 9.85	
Royal Bk, Scotland S Prp. 84 100.75 180.84 11/12 74 United Kingdom S 92 9 180.45 100.50 7/10 7.19	
Woodside Financial 51, 97 _ 8 190.08 180.17 28/17 4.81	
Woolwich S 95 5	
Average price changes on day -0.02 on week -0.01	
CONVERTIBLE CAN. CAN. CAN. CAN. CAN. CAN. CAN. CAN.	
Allegaments 7 00 4/84 1053 2674 2694 -3 4.88	
Sames 33, 98 1/84 7832 2361, 2381, +1214 71.54	
Fulltsu 3 99	

lew Zealand S 2001	. 0	3	80.24	200.34	4/08	2.13	
rudential Corps. 4 95 E	0.1	_	99.95	288.85	5/09	7.85	
loyal Bk. Scotland S Prp.			00.75	100.84	11/12	74	
mitted Kingdom S 92	. 0		00.43	200.50	7/20	7.19	
Voodside Financial 54, 97	. 8	1	20.08	180.17	28/17	6.81	
Voolwich S 95 5	C'a	1	00.03	249.05	19'05	100,	
Average price chang	es oc	day	-0.02	00 W	ek -0.	.01	
CHVERTIBLE	DIV.	Cav.			Çhę.		
20100		price		<b>Stiles</b>	de 7	Prem	
Vigomoto 3 99	4/84	1053	2673	2697	-3	4.96	
anec 31/4 98	1/44	7832	236		+124	71.54	
of Heavy Inds. 3 2000	8/85	676			+14		
ulitsu 3 99	5/84	7320	1184	120		23.34	
Azen 31- 99	7/84	116Z	357	359		441	
Alnoita Carrera 24 94 OM	2/06	1205	102	1.83			
Attsabishi Bank 272 00	845	1768	145	1474		1.42	
Aksobishi Elec. 23 00	3/45	422	271	181		0.67	
litsui Bank 25 01	406	101.9	1221	1234		-99.44	
turala 312 2000	7/84	2374	24612	147%			
Spoon Elec. 27, 2000	1/25	1215	1344		+15%		
Uppos 04 Co. 3 2000	5/05	923	205	2064		0.82	
KI Elec. Ind 312 99	10:84	805	3574	1545		2.34	
arrera Bank 23, 2000	10/25	2486	1504	1514	+2%	3.73	
ieldsui House 3 99	6/84	612	3424	3441	+24	6.50	
umitomo Bank 24 2000 _	8/85	2342	150%	170%	+1012	13.30	
umitomo Corpn. 2% 99	5/04	543		205 2			
alyo Yuden 34 2000	2005	1871			+2	0.11	
pshiba Ceramics 3 2000	446	1734	1247	121%		3.14	
tippon OH Co. 21e 97 SFr	1/64	7852		1294		3.20	
upped th Co. Zig 42 SFF =	307	965		223		13.63	
(Ippon Shinpan 292 SFr	304	504	146		-4	4.27	
sles S 92 DM	1253	200				-0.80	
tenows 31 90 DM	3/83	6/3	130-2	136/2	+3	-4.50	
a st. I-formation				IE MAN'S	Brite.		

† Only one market maker supplied a price.

ght Bonds: The yield is the yield to redemption of the mid-e; the amount issued is in millions of currency units except for the amount issued is in millions of currency units except for onds where it is in billions. Change on week- Change over

Convertible Bonds: Denominated in dollars unless otherwise indicated. Chp. day=Change on day. Cnv. date=First date for conversion into shares. Cnv. price=Normal amount of bond per share expressed in currency of share at conversion rate fixed at (since. Prem=Percentage premium of the current effective price ing shares via the bond over the most recent price of the

The Financial Times Ltd., 1986. Reproduction in whole or in part, is any form and permitted without written consent. Data supplied by DATASTREAM International.

### £100m acceptance BY OUR EUROMARKETS STAFF

By Atexander Nicoli

the Bank of England has allowed a bank, rather than a trading concern, to issue bills.

Lloyd's Merchant Bank has mandated to lead the five-year deal which, although it is not the Bank for Foreign Trade's first borrowing in sterling, may have been belped by the recent agreement between Britain and th Soviet Union settling pre-revolutionary

The borrowing will carry an annual facility fee of 10 basis points, and a front-end fee ranging up to 17½ basis points for commitments of £7.5m or more. If the committed facility is drawn, acceptance commission will be 15 basis points above the eligible bill rate—the rate for bills which may be discounted at the Bank

A tender panel of hanks will normally bid compeli-tively to accept bills at com-missions below 15 basis

fore bny Soviet bitls accepted by banks in the same way that it buys all other eligible bitls in its daily money market operations.

Since bankers acceptances are designed to finance physical trade, the Bank of England normally treats as eligible only accepted bitls which were originally drawn by a trading concern rather than a bank. Lloyds said the Bank permitted the Soviet bank to draw bills in its own right because, nuder the Soviet system, it is the only entity allowed to raise medium-term finance.

German bank higher only enable the bank to make provision for all forseeable risks but also allow it to strengthen own resources.

### N. AMERICAN

QUARTERLIES	Royal Dutch/			AI U
BRIGGS AND STRATTON Petrol engines, sate locks	Danilla for First Half 1000			
1985-85 1984-85   1985-85 1984-85   1985-85 1984-85   1985-85 1985-85   1985-85 19		. ,;;;		
Net per shere 0.25 0.59 Year Revenue			SECOND 1985	QUARTE 19
Net profits			15,670	10,3
Property-casualty, tile insurance	Income before taxation		2,359	1,3
Second quarter S S Revenue			1,697	8:
Op net per chare 1.05 Dat	Income after taxation		662	5
Revenue	income applicable to minority interests		16	
LECIDENT, NEETH, LIFE INSURENCE	Net income for the period		646	5
Second quarter 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5	Parent Companies' provisional share in Group net income:			
p. net per share 1 44 1.2	Royal Dutch	Nfi	6-6B	4
vanue	Shell Transport	pence	21-5	18
NSOLIDATED NATURAL GAS   1905   190	of C60 million in the quarter and gains of C93 (	d after-tax ories accor	inventory hounted for on a	olding loss
Six months evenue	Key features for the second quarter included:	-		
TOTAL CORPORATION	<ul> <li>Exploration and production earnings were of the strengthening of sterling against the US</li> </ul>		ly lower, pri	ncipally d
perty-casualty, tile insurance 1985 1985	<ul> <li>Manufacturing, marine and marketing earnir</li> </ul>	ngs on a re		
Second quarter S S I profits				
Six months It profits		_	-	
SPIRATION RESOURCES etals, toal, agricultural products 1986 1985 Second quarter 5 5	businesses were more than offset by sharply considerably lower selling prices for crude oil a by 50% from £227 million to £114 million, in prices.	reduced e nd natural	amings in o gas. The co	il and gas ntribution
evenue 521.4m 49-3m et profits 13.0m 18.3m	Forth Forth Washington the dealing of 070' in			
Six months	the period. Reduced earnings from exploration	n and prod	duction activ	ities and
† Less   15.4m   11.2m	offset the higher current margins from manufa from reduced feedstock costs and higher man			
R SIEGLER pspace, auto, industrial products	Group funds generated amounted to \$3,550			
1985-85 1984-85	expenditure and exploration expense at £2,22	7 million fo	or the half ye	ar were 1
1 profits	The meaner contain the cross of the container product	remains s	strong with c	ash and s
enus 2.45bn 2.37bn	the long term dept ratio at 16%.	h laures ell	mainer the t	معام احمد
t per snate 35 5m 100 7m t per snate 3 02 5 51 EWS CORPORATION	on an estimated current cost of supplies basis	for the firs	t half year w	ere salisf
arettes, insurence, horsis	weak crude oil prices, financial results on bott			
econd quarter S S S Enue	TO das contracts the effect of delayed indexation	to oil price	es. Such low	
te months enue 4 17th 2 19bn profits 287.2m 256.2m per share 252.2 3 14	Nevertheless the Group's strong financial nos	ition, as ev	idenced by	
OORE CORPORATION ISINESS forms, printing machinery 1985 1985				3.7
Second pusher S S	An interim report by Royal Dutch Petroleum Company a	and The *Ch	# Transport a	nd Trading
n profits 31 7m - 1.4m n per share 035 035	Royal Dutch/Shell Group of Companies, in which their	interests an	e 60% and 40	% respectiv
Six months	A copy of the full report may be obtained from Shell Cen.			

1 1bn 554 3m 62 5m 64 0m 670 0 72

### \$200m Citicorp deal on quiet day

CITICORP, the US bank, since it pays interest at 1 point borrowed \$200m fixed-rate funds in the Eurobond market rate, but dealers said yesterday issue price at par and it may large funds in the Eurobond market rate, but dealers said yesterday issue price at par and it may large funds in the Eurobond market rate, but dealers said yesterday issue price at par and it may large funds in the bond investor interest should pick up be called after two years at par and it may large funds in the bond was quoted well below this discount at 90.25 hid.

The D-mark saw thin trading though some bonds rose in price. Wednesday's ten-year 6 Treasury bond auctions in New Morgan Stanley led Citicorp's

seven-year issue which has a coupon of 84 per cent and price of par. It is non-callable for the first four years and then at par. Elsewhere in the Eurobond

Elsewhere in the Eurobond market a \$1bn floating-rate note (FRN) issue for Denmark, launched on Wednesday, traded at discounts to issue price out-side the levet of its total fees. The issue has been widely criticised for its light pricing,

the bond was quoted well below this discount at 99.25 bid.

bank, issued a \$250m floating-rate note which mer an unenis uprated.

The Euro Danish kroner market saw the only other new thusiastic reception, as had issue of the day. This was olber recent issues for Nor. DKr 300m four-year deal for wegian banks. Christiania's deal of Kredietbank, which guaran-leed the issue. Privatbanken. The lead-manager, set ils coupon

price. Wednesday's ten-year 6 per cent issue for Oester-reich Kontrollbank was bid at issue of the day. This was bKr 300m four-year deal for KB Ifma, a finance subsidiary

### IPMA tests computerised communications

distinctly unlikely deals were ground the Eurobond market yesterday as the International Primary Market Association (IPMA) Communications Committee was testing a supplemental to association (IPMA) Communications Committee was testing a supplemental to association (IPMA) Communications Committee was testing a supplemental to association (IPMA). Should enable potential to associate an issue the supplemental to associate an issue the supplemental to associate the supplemental to the s tions Committee was testing a new computer system. The new computer system. The system could dramatically atter syndication procedures.

deals and invitees' responses, will be sent via a telephone link between computers. Syndicate managers will no longer face the time-consuming ordeal of

underwriters to assess an issue quickly and thoroughly. Both public information required by syndication procedures. the association and private

If introduced, invitations into information, such as commitment size, can be transmitted.

Credit Suisse, First Boston, Morgan Stanley, Goldman Sachs, Union Bank of Switzerland and Merrill Lynch tested the syslem making individual phone calls with dummy invitations for

fixed-rale, floating-Irale, equity warrants and convertible bonds have been devised. A format cut along for international equity issues dividends. has not yet been finalised.

IPMA said that even if the syslem were introduced the association would not discourage houses from using other computer communications the invitation telex arrived.

INVITATIONS into some to invite co-managers into deals. various types of bond yesterday, systems for syndication or distinctly unlikely deals were and then following them up with Assuming all goes smoothly, general information purposes. Bying around the Eurobond invitation telexes. Syndication by telephone has Syndication by telephone has been a frequent cause of con-fusion. This was highlighted by

So far formats for straight, note issues for Canadian banks which contoined clauses allowing for coupon payments to be cut along with reductions in

Some houses complained that this "cateb" had not been fully explained to them over the phone, whereas they were committed to the deat by the time

### Rush of convertible bond issues planned in Japan

BY-YOKO SHIBATA IN TOKYO

n September and October amid a deterioration in issuing conditions for bonds with warrants and other bonds abroad.

September Is likely to bring the sharp rise in the volume of 25 convertible issues worth between Y-10bn (\$2.65bn) and Y-20bn, surpassing the previous monthly record of Y-340bn in March 1985. This month, 13 the next fiscal year which may the surplice of the same concern over the same rise in the volume or new Issues. However, many issues are trying to raise low-cost money ahead of having to produce earnings forecasts for the same concern over the same rise in the volume or new Issues. However, many issues are trying to raise low-cost money ahead of having to produce earnings forecasts for the same concern over the same rise in the volume or new Issues. However, many issues are trying to raise low-cost money ahead of having to produce earnings forecasts for the same concern over the

interest rate against which convertible issue terms are each due to issue Y50bn, vertible issue terms are and Nomura Securities and measured. This now stands at Takeda Chemical Industries 2.6 per cent, down from 3.8 per

A RUSH of convertible hand cent at the beginning of this issues is due to be seen in Japan year. Coupon rates on convertible bonds are now as low as 1.7 per cent for top rated borrowers. There is some concern over

issues to lalling Y250bn are to be floated, compared with a much of the money raised could monthly average from January to July this year of Y95bn.

The favourable issuing condi
The favourable issuing condi
In September, Kokusai Den-

tions result from successive shin Denwa (KDD), Marubeni reductions in the benchmark Corporation and Nippondenso

### Sanyo Electric slides by 60% SANYO ELECTRIC.

Japanese consumer products maker, and its group companies suffered a 60.3 per cent fall in consolidated net profits to Y8.19bn (\$53.05ot) in the hatf-year to May, the first such setback since it started compiling consolidated financial

statements in 1970. Turnover came to Y587.63bn. down 17.7 per cent. The current year is the last before its absorption of Tokyo Sanyo, an affiliate, in a move to reduce the negative effects of the rising

Domestic sates rose 4.7 per cent, thanks to good demand for its television sets,
Net earnings per share
dropped to Y6.81 from Y17.45.
For the full year, Sanyo expects
consolidated net profits of
Y15.5hn, down 57.2 per cent, on
lurnover of Y1,265bn,

SECOND QUARTER

1986

10,343

1,373

824

549

545

4

### | Growth at Asahi **Breweries**

By Our Tokyo Staff

ASAHI BREWERIES, Japan's third largest brewer, achieved a 47.9 per cent jump in its pre-tax profits in the first hatf to June, on the back of an improvement in its financing position and cheaper imported raw materials because of the strong yen.

Pre-tax profits surged to Y2,25bn (\$14,57m) from Y1,52bn with net profits of Y0,8bn, up 21 per cent, on turnover of Y118,63bn, a rise of 6 per cent. Net earnings

of 6 per cent. Net earnings per share advanced to Y3.59 from Y2.98.

A campaign dubbed the New Century Programme is helping boost volume beer sales for the full year by a projected 12 per cent.

Full year pre-tax profits are forecast at Y4.5bn, up 38 per cent, on sales of Y263bn

## Royal Dutch/Shell Group

	FIRS	T HALF
£ million	1985	1986
2 *************************************	33,175	23,234
	5,485	3,324

2,054

1,270

1,263

3,711

1,774

1,730

44

Parent Companies' provisional share					
in Group net income:			Per ordir	nary share	
Royal Dutch	Nfl	6-68	4-90	17-16	11-37
Shell Transport	pence	21-5	18-2	57-6	42-1

Results for both the second quarter and the first half 1986 were significantly influenced by the world-wide collapse in crude oil prices. Net income reflected estimated after-tax inventory holding losses of £362 million in the second quarter and £955 million in the half year on those inventories accounted for on a first-in first-out basis, compared with 1985 losses of £69 million in the quarter and gains of £93 million in the half year.

 Exploration and production earnings were considerably lower, principally due to reduced crude oil realizations and the strengthening of sterling against the US dollar.

 Manufacturing, marine and marketing earnings on a reported and on an estimated current cost of supplies basis were significantly better. On a reported basis, inventory losses partially offset the higher current margins.

Chemicals earnings were greatly improved reflecting higher margins and sales tonnages.

Shell Oil's dollar net income for the <u>quarter</u> was 35% lower. Stronger performances in the oil and chemical products businesses were more than offset by sharply reduced eamings in oil and gas exploration and production, reflecting considerably lower selling prices for crude oil and natural gas. The contribution to Group sterling net income decreased by 50% from £227 million to £114 million, in part a reflection of the depreciation of the US dollar against sterling.

For the first half year 1986 the decline of 27% in Group net income rellects the impact of oil prices declining sharply over the period. Reduced earnings from exploration and production activities and the effect of inventory losses more than offset the higher current margins from manufacturing, marine and marketing operations. Chemicals results benefited from reduced feedstock costs and higher margins which more than compensated for inventory losses. Group funds generated amounted to £3,550 million for the half year compared with £5,686 million in 1985. Capital

expenditure and exploration expense at £2,227 million for the half year were 16% lower than in 1985, partly reflecting the weaker dollar. The Group's financial position remains strong with cash and short-term securities at £5,034 million and the long term debt ratio at 16%. Given very difficult trading conditions and much lower oil prices, the levels both of reported net income and of earnings

on an estimated current cost of supplies basis for the first half year were satisfactory. However, if there are continuing weak crude oil prices, financial results on both bases are likely to be lower in the second half year than in the first. This deterioration would reflect the impact of lower average crude oil prices on the upstream sector, and for many natural

gas contracts the effect of delayed indexation to oil prices. Such lower earnings are unlikely to be fully compensated by the performance of the downstream oil and chemicals sectors. Nevertheless the Group's strong financial position, as evidenced by its net assets and cash generation, enables it to

August 7, 1986

An interim report by Royal Dutch Petroleum Company and The "Shell" Transport and Trading Company, p.l.c. on the unaudited results of the Royal Dutch/Shell Group of Companies, in which their interests are 60% and 40% respectively. A copy of the full report may be obtained from Shell Centre (Ref LGSL), London SE1 7NA or by telephoning 01-934 6252. Results for the First Quarter 1986 were issued on May 15, 1986 and can be obtained from the same address.

BOC beats City estimates with a 9% profits advance

### £128m write-off planned in US

chairman end chief executive of the BOC Group, yesterday revealed that profits had risen by film at nine months and added that fil28m would be written off the assets of the troubled US graphite electrodes business at year-end.

The write-down will be re-flected in the loss in the results for the final quarter of the cur-

It will reduce the estimated assets employed in this business by some £125m and have the effect of reducing depreciation charged in this business and, correspondingly, increase profits

profits.

The write-down will bave no cash, tax or dividend implications but will reduce group reserves and affect gearing.

Mr Giordano said, however, that the cash flow of BOC continued to be very strong and, despite the write-down, gearing at the end of the current financial year would be lower than last year and at the lowest level experienced for The group's graphite elec-

trodes are produced in the US and are used mainly in the elec-

AE chief urges

T & N to

By David Goodhart

abandon bid

SIR JOHN COLLYEAR, chair-

man of AE, yesterday called upon Turner & Newell to aban-

don its bid for the engineering group in the light of acceptances

Petrogen deal off

DATASERV rights issue accept-

ences totalled 6.06m shares the 6.14m shares of common stock at 145p each on offer.

LADBROKE INDEX

1,231-1,237 (-13)

Based on FT Index

Tcl: 01-427 4411



process for steel manufacture.
Some 60 per cent of BOC's
production of electrodes is sold
to the US steel industry, which
like industrial activity in
general, went into deep recession in 1981.
Mr Giordano said the subsequent economic recovery in the

US, which began in 1983, did not fuel a significant recovery in steel and metal fabrication and that in 1985, the steel industry in the US failed even to approach the production levels experienced in 1979.

The group will substantially mest and darm all of its older and the third greater following as

experienced in 1979.

The group will substantially write down all of its older and less efficient graphite electrode manufacturing assets in Penn-sylvania and at Niagara Falls.

BBC's pre-tax profits for the nine months to June 1986 improved from £124.1m to £135.2m, a rise of 9 per cent, beating City estimates by some £5m. estimates by some £5m.
Turnover, including related companies, declined from £17.6bn to £1.66bn—the group's interest are in industrial gases and health care products.
Operating profits improved from £182.1m to £184.9m and took in a £13.2m (£10.4m) share of related companies' earnings.

Pre-tax profits were struck after taking account of realised stock bolding losses totalling £6.5m (profits £0.7m) and interest charges, which fell by £15.5m to £43.2m.

Tax accounted for £42.8m (£40.2m) and left net profits at £92.4m, compared with a previous £83.9m. Earnings im-

### group pre-tax profits for the nine months emerged at

the third quarter following a loss in the first half of the year.

Mr Giordano said the results

were affected favourably by the group's forward sale of US dollars last year, but adversely affected by a decline in the value of the Australian dollar and the South African rand.

Operating profits, which were

Operating profits, which were struck after additional depreciation on revaluations of £16.5m (£29.5m), broke down by region as to Europe £53.7m (£51.7m), Africa £13.2m (£15.5m), Americas £81m (£80m) and Asia/Pacific £34.7m (£30.6m). There was also a £2.3m (£4.3m) contribution included from discontinued businesses.

On a comparable currency basis, removing the effects of exchange rate movements and forward currency transactions,

### Barclays' £434m disappoints City and shares down 20p

Barelays, the UK clearing bank, disappointed the City yesterday with balf-yearly pretax profits of £434m, just eight per cent up on 1935's £403m. Its shares responded by losing 25p, before recovering slightly to close in London 20p down at 450m.

from bolders of only 0.29 per cent at the first closing date. Sir John said be was not surprised by the small number. "An investment in AE gives shareholders a stake in an advanced engineering company with a secure future. On the other hand Turner & Newall is a company heset with difficulties," he said. profits of between £450m and £475m, even before the other three hig clearers reported over the past two weeks jumps in earnings of between 27 and 34 per cent.

Sir Timothy Bevan, Barclays' chairman, said the results reflected a policy of seeking "controlled expansion and Both companies' shares have slid back since the hid was announced in July, AE from 224p to 207p and T & N from 196p to 180p. Although some analysts believe T & N will indeed ahandon the bid most think that it will raise its offer. "controlled expansion and quality profits" in increasingly competitive conditions in UK retail banking and elsewhere. Post-tax profits rose 31 per cent to £283m in the six months

Barclays' performance was also helped by extra tax relief gained abrough a transfer of £139m from general to specific Petrogen Petroleum, the USM oil and gas group which is based in Colorado, sald that its proposed merger with Seare of the US would not take provisions against loss. Overall, the charge for had and doubtful place since the two companies could not reach agreement. Preliminary terms of the deal deht provisions fell from £217m to £196m.

A first InterIm dividend of 9.5p is declared, compared with a 1985 first interim of 8.4p. were announced in April. Mr Charles Good has resigned as a director of Petrogen but will

Barclays

advances growth and lower interest rates in the UK.

Operating expenses rose by nearly 9 per cent to £1.2hn, with a £59m increase in staff costs due to salary rises and the recruitment of extra staff. for Barclays Customer Service Programme of improvements in

branches. In UK domestic operations,

from 6.2 per cent to 5.7 per

Mercantile Credit, the finance house subsidiary, increased pre-tax profit to £38m (£36m). Barclays de Zoete Wedd, the group's securities and merchant banking arm, doubled pre-tax profits to £20m.

sion, which includes Barclay-card, Masterloan and travellers' were hit by costs of integrating business purchased from Chase Manhattan, the US commercial

no present intention to change it's stake in Barclays National Bank (Barnat), the South African associate in which it has a 40 per eent stake. Barnat contributed £10m (£10m) reflecting greatly improved performance heavily offset by the fall in the South African rand.

not expect to make profits for some time in Italy, where it suffered heavy had debt prob-

### Standard Chartered stays silent

London-based worldwide hank- Chartered who last month bank's shares, is a well-known ing group, declined to comment thwarted Llovis Bank's bastile business and a second to the comment through the comment th was Chartered's shares.

the Far Eastern clients of Standard estimated 5 per cent of the thwarted Lloyds Bank's hostila business rival of Sir Yue Kong-£1.3bn takeover bid by acquir- Pao, the Hong Kong shipping ing large block of Standard magnate who helped save Stan-

### Mountleigh bids £117m for United Real

By Charles Batchelor

Mountleigh, the acquisitive property trading and investment group headed by Mr Tony Clegg, yesterday announced its long-awaited takeover bid for United Real takeover oin for United Real Property Trust, with an agreed offer worth £117m. United owns a portfolio of prime office buildings in central London but has been content to collect rents rather than actively develop

rather than actively develop them. This followed a decision by its foonder and 70 per cent sharebolder. Mr Maurice Wohl, to move to Switzerland Woll, to move to Switzerland
12 years ago.

Many property groups have
tried to persuade Mr Wohl to
sell ont in recent years.

Mr Clegg said: "The
properties have not been
worked for some years.
United has collected the
rents. They yield rents of £5m
e year now but we believe

rents. They yield rents of £5m e year now but we believe they are capable of esrning £15m by granting new leases and £20m if they were redeveloped."

The merger is the third major deal to be announced in the property actor in the space of three months. In early June Clayform unveiled an £50m marger with Semmel.

an £88m merger with Samnel
Properties while Greycoat
Group launched on £111m
contested bid for Property
Holding and Investment Trust

Mountleigh is a trader of properties rather than a long-term investor, though it still earns rental income of £6m

n year.

It is offering 83 5.25 per cent convertible cumulative redeemable preference shares of £1 each and £34 cash for every 12 United shares, at 975p each if the preference shares are valued at par. There is a full cash alternative, which is also worth 975p per share.

The bid has the backing of United shareholders, mainly Mr Wohl, owning 72.5 per cent of its equity.

United made an unandited pre-tax profit of £2.57m, producing earnings of 12.51p per

ducing earnings of 12.51p per share, in the six months ended October, 1985, Shareholders' funds at April 5, 1985 were £84.4m and assets

per share 703p.
United valoed its portfolio at £86m in April, 1985 but Mountleigh believes it could be worth £150m with more eggressive management. Mountleigh's investment portfollo is valued at £79m, though its has trading properties worth £80 to £90m, Mr Clegg said.

The Mountleigh hid was

trading companies to acquire investment properties which would provide regular rental income if the property market

income if the property market turned down, said one analyst. Mountleigh appears to have paid a high price in the short term but taking a longer view this would probably turn out to be a god deal, he added. United's shares rose 70p to 950p while Mountleigh fell 40p to 960p.

United revealed it might be subject to a bid in mid-July. A week later Montdeigh emerged as the likely bidder.

emerged as the likely bidder. to 13.9 per cent.

## TI shares fall by 33p as profits disappoint

TI Group, the cycles, home appliances and engineering group, yesterday reported a 44 per cent increase in its half year pretax profit to £18.1m. However, for the second time in two days a major engineering company disappointed market expectations and the TI share price fell 33p to 463p. On Wednesday GRN fell 56p after revealing that profits for the whole year were likely to remain flat.

Engineering analysts began revising their TI pretax profit estimates for the whole year down to about £2m from e peak of £50m earlier in the year. Most analysts did however stress that the TI recovery was still on course, but coming through rather slower than expected.

The company explained the disappointment in terms of less buoyant markets than expected.

The company explained the disappointment in terms of less buoyant markets than expected.

The company explained the disappointment in terms of less buoyant markets than expected.

The company explained the oil industry. Turnover fell slightly to £490m, but after adjusting for disposals and exchange translation there was an underlying uncrease in sales of 3 per cent.

Ti As reduced its interest burst before interest would have been lower than last year.

To has reduced its interest and explaint to £7.4m and earnings per share have risen being per cent, but profits before interest were down from £7m to £5.4m because of extremely competitive conditions according to the company. Cycles saw losses fell from £2.7m to £1.9m and the recovery path set out at the recovery lying uncrease in sales of 3 per

Profit before interest in-creased by £2.4m from £23.1m

Goodman cuts

his stake in

Intl Leisure

By Charles Batchelor MR HARRY GOODMAN, chair-

man of International Leisure

Group and two other directors bave succeeded in placing 3.87m

shares from their personal holding. But they appear to

bave accepted e lower price than they were seeking when they

first attempted to sell the shares

last week.

Most of the shares were placed at 112p to raise about £4,34m. That compares with the price of about 118p which the directors were believed to be seeking last week.

Mr Goodman said he had reduced his holding primarily to meet pre-existing personal commitments.

meet pre-existing personal com-mitments.

We sold 3.75m shares to re-duce his holding from 22.8 to 15.5 per cent; Mr S. Matthews sold 100,000 shares, redocing his stake from 5 to 4.8 per cent; and Mr P. G. Woodward sold 25,000 shares, though this had no material impact on his 1.5 per cent stake.

no material impact on his 1.5 per cent stake.

The directors and their families hold a total of 12.34m shares representing 23.9 per cent of the caoltal following the sales. Scrimgeour Vickers nlaced the shares with a number of institutions.

Priest Marians, the property company which is engaged in merger talks with Lincroft

merger talks with Lincroft Kilgour, a textile and investment group, yesterday bought a further 145,000 Lincroft shares at less than 240 p each to take its holding to 1.37m or 29.98 per cent.

Eagle Star Insurance, one of

the largest holders of Philip Hill Investment Trust, has sold

favourable reports in the trade press and from dealer evalua-tions and strong sales were expected from this product by

Lincroft stake

Philip Hill

Automotive saw profits before interest slip from £7.8m to £7.7m and steel tube fell from £6.5m to £5m.

Extraordinary items at £16.2m represent mainly asset write-offs

holding now stands at about £8m down from a peak of £18m.

### Bestwood buys building company for £2.09m

Bestwood, the investment and property services group headed by Mr Tony Cole, is paying £2.09m in shares and cash for Property Building and Maintenance Company (London), e private company active in commercial building maintenance work and scaffelding differ the failure of its bid for enance work and scaffolding

The deal comes less than e month after Bestwood launched a still unresolved hid worth £17m for Barrie Investments & Finance and about six weeks after the failure of its bid for the Country Gentlemen's the Country Association.

PBM has declared it will make s pre-tax profit of not less than £440,000 in 1986, compared with £359,000 before deducting non-recurring directors' earnings of £113,000 the year before. Net assets et Association.

Bestwood will issue 75,000 of its own new shares to the vendors of PRM and pay a further £1.71m in cash, to be raised by placing further Bestwood shares.

gly in

effet half

FIN

His S. W.S. F. Laine

Bills Training to 3

Furer

Bank

EUROPEAT HI

FUBLIC LIBERTY

## Which FT Diary will you choose for 1987? budget – there's a choice of four loxerious bindings for your FT Diary. From the top of the tange Chairman's Set, handmade from the finest hides, to our Black Leathercloth version, you'll find an PT Diacy that's right for you. But the finish is just the beginning. The FT Diary is the most practical (not to mention prestigious) aid to business efficiency in the world.

Noother diary is so comprehensive, so well researched, so meticulously updated. Then there's tha FT Pocket Diary, expanded for 1987 to include more information than ever before. Available, of course, in the same finishes, to match your Desk Diary. And remember, FT Diaries make the perfect corporate gift— omely gold-blocked with your client's initials, or your own

company logo. We can even make a "Special Edition" FT Diary with up to eight pages of your own bound in. Write or telephone Celia Parkes (01-623 1211), now, for further information about FT Diarres and other business gifts from the Financial Times.

FT Business Information Ltd, Minster House, Arthur Street, London EC4R 9AX

### **NOTICE TO LOMBARD DEPOSITORS** 14 Days Notice **Cheque Savings Accounts** 6.35% 8.94% Lombard North Central 17 Bruton St. London W1A 3DH.

## GRANVILL Grunville & Co. Limited 8 Lovet Lone London EC3R 82P Telephone 01-621 1212 Member of Fimbro

## Analysts had forecast interim

For the first time the group disclosed separate results for its Central Retail Services divicheque operations. Pre-tax profits were £35m (£34m), hut profits from travellers' cheques

Sir Timothy said Barclays had no present intention to change

Barclays said that it would Net Interest income improved (£196m). This reflected a low 165 staff at its Milan bead-by only 4 per cent to £1.19m, growth in commission income, reflecting a low level in and a fall in interest margins See Lex

yesterday on reports that Tan Sri Khoo Teck Puat, the Malaysian businessman, was seeking a seat on its hoard.

Tan Sri Khoo was one of the

Tan Sri Khoo, who holds an

dard Chartered by buying

## Good start lifts Apricot shares

MR L. C. Bury, the chairman of Apricot Computers, told yesterday's annual meeting that group profits in June and July were ahead of budget and that the directors anticipated a return to profitability in the opening six months of the current year.

The meeting was told that the Apricot Architecture products of September.

Sales of the Xen and the Xen.i, the compatible computer bad been the subject of provisations in the annual accounts.

These products comprised out that the Xen was receiving the group's full range other favourable reports in the trade than the Xen. Sales of the Xen and the Xen.in the compatible computer out that the Xen are favourable reports in the trade than the Xen. Sales of the Xen and the Xen.in the compatible computer out that the Xen are favourable reports in the trade than the Xen. Sales of the Xen and the Xen.in the compatible computer out that the Xen are favourable reports in the trade than the Xen. Sales of the Xen and the Xen.in the compatible computer out that the Xen.in the Xe

Suter lifts Thermax holding to over 12% Suter, the acquisitive manufacturing and distribution group beaded by Mr David Abell, has further increased its stake in Thermax, the maker

The meeting was told that the group's cash position remained satisfactory, belped by sales of Apricot Architecture products.

Apricot Architecture products.

He edded that all material Apricot Architecture products.

Shareholders were reminded stocks of these products were the tima of the prelimin
satisfactory, beiped by sales of a strong, the chairman said.

He edded that all material late summer.

In the stock market yesterday the group's shares rose to 50p, a rise of 7p on the day.

**DIVIDENDS ANNOUNCED** 

Date Corre- Total Total of sponding for last payment int 9.5 Barclays ....int 9.5 BPP ....int ‡2.24 Grosvenor Sq Props ... ‡3.75 5.5 15 7.25 6.3 4.9 Hickson 5.3
Invest Tst Guernsey int 2.5
Law Debenture int 2.75
SEET 3.7
TI int 6 of toughened glass products, to
1.44m shares or 12.42 per cent
of the equity.
On July 10 Suter revealed it
had bought a 6.66 per cent stake
in Thermax, Increasing it to
10.18 per cent on July 23.
Thermax's shares fell 2p to
123p yesterday.

HICKSON

Law Debentare
int 2.75
SEET 3.7

TI int 6
TR City London 4th int 1.18
Joseph Webb ... 0.38
Dividends shown in pence
stated. Equivalent after allo
increased by rights and/or TR City London 4th int 1.18 Aug 29 1.13 4.1 3.45

Joseph Webb ...... 0.38 Oct 1 0.38 0.51 0.51

Dividends shown in pence per share except where otherwise

stated. \* Equivalent after allowing for scrip issue. † On capital
increased by rights and/or acquisition issues. ‡ USM stock.

> NOTICE OF REDEMPTION To the Holders of

### IPF (Illinois Power Finance) Company N.V.

Guaranteed by Hinois Power Company U.S. \$50,000,000 144% Guaranteed Debentures Due 1989

NOTICE IS HEREBY GIVEN THAT IFF (Blinois Power Finance) Company N.V. has elected to redeem all of its outstanding 14/26 Guaranteed Debantures due 1969 (the "Debantures") on September 8, 1966, at 1011-76 of their principal amount (the "Redemption Prior") together with accrused interest to such date. Coupons makining on or prior to Jame I, 1996 should be detached and presented for payment in the usual manner. 1966 should be detached and presented for payment in the usual menner.

On September 8, 1886, the Debentures will become due and payable at the Redemption Price, and interest thereon shall cease to accrue on and after said date. All Debentures, together with all coupons appartaining thereto, maturing on or after Juna 1, 1987, are to be surrendered for payment at the Redemption Price at the option of the holder (a) at the Corporate Trust and Agency Group Office of Bankers Trust Company, 12 Meshington Street, New York, New York 19015 or (b) subject to any applicable laws or regulations in the country where each of the following offices are located, at the main offices of Rankers Trust Company in London, the main offices of Bankers Trust GmbH in Frankfur am Main, Benkers Trust AG, in Zurich, Bankers Trust Company in Paris, Banque da Benelux S.A. in Brussels or Banque Indosuer Lexaminary in Lexaminary.

IP? (ILLINO'S POWER FINANCE) COMPANY N.V. By BANKERS TRUST COMPANY, or Trustee and Paying Agent

## **Land Securities PLC**

£100,000,000 10 per cent. First Mortgage Debenture Stock 2025 ("the Further Stock") issued on 2nd May, 1986 at £105-523 per cent. (now £25 per cent. paid with the balance payable on or before 21st August, 1986)

Land Securities announces that the Further Stock will be available either in registered form, transferable in amounts and multiples of £1 or, at the election of the holder, in bearer form represented by bearer bonds which will be available in the denomination of £10,000 each.

Certificates in respect of the Further Stock in registered form will be despatched and bearer bonds in respect of Further Stock in bearer form will be available for delivery on 19th September, 1986 provided the balance of the monies payable thereon has been duly paid. Thereafter Further Stock in registered form may be exchanged for bearer bonds and vice versa.

It is intended to amend the Trust Deed constituting and securing the £100,000,000 10 per cent. First Mortgage Debenture Stock 2025 issued in November 1985 ("the Original Stock") to provide holders thereof with a similar bearer option so that with effect from 19th September, 1986 the Original Stock and the Further Stock constitute one class. A notice will be sent to the holders of Original Stock during the week commencing 1st September, 1986.

Further details may be obtained from:

The Secretary Land Securities PLC, Landsec House, 21 New Fetter Lane, London EC4P 4PY

8th August, 1986

### UK COMPANY NEWS

## R Dutch/Shell income down 16%

BY LUCY KELLAWAY

النبية ومنين بطوليها فالمتي والمناز ويتاكا

Sure Trans

lan . The strain

Milding

Ser Beg

Andrew Street

• • •

 $= \sum_{i=1}^{N} \sum_{j=1}^{N} (i \cdot j)^{N} \cdot \sum_{j=1}^{N} (i \cdot j)^{N}$ 

. . . .

DEPOSITOR

Vet:20

gs accept

16/8 ... .. 7-

Service Services

Royal Dutch/Shell suffered a 16 per cent fall in second quarter net income to £545m, mainly as a result of the steep decline in oil prices.

However, after allowing for substantial losses on oil stocks of £362m (£69m), net income rose by 27 per cent to £907m on a current cost basis. This number, which is regarded as number, which is regarded as the more important of the two by City analysts, was better than forecast, whila the reported figure was much as expected. Shell shares yesterday held their own against a sharply falling market background to close unchanged at 835p.

Shell said yesterday that the results were "satisfactory" given the difficult trading conditions and the fall in oil prices.

ditions and the fall in oil prices.

Results for the first six months of 1986 show net income down 27 per cent to £1.26on (£1.73bn), but up by 35 per cent to £2.2bn (£1.64bn) on a current cost basks.

Figures for the second quarter are not directly comparable to last year's result, which contained a series of large one-off items, the net effect of which was to depress income by about £60m.

of just £31m in the same period last year.

During the quarter, income from "downstream" operations—refining and marketing to a drop of 37 per cent in except the strength of sterling, leading to a drop of 37 per cent in except the strength of sterling, leading to a drop of 37 per cent in except the strength of sterling, leading to a drop of 37 per cent in except the strength of sterling, leading to a drop of 37 per cent in except the strength of sterling, leading the strength of sterling the s

and from chemicals was sharply up on last year, off-setting a deterioration in profits from exploration and production.

Production of both oil and gas increased by a per cent in the

increased by 8 per cent in the three months with oil volumes three months with oil volumes rising to 1.7m barrels a day. The weakness of the US dollar against the pound during the second quarter of 1985 resulted in a currency loss of £126m, compared to a loss of just £31m in the same period last year.

three months with oil volumes rising to 1.7m barrels a day. Oil revenues suffered from the fall in crude prices, although gas prices held up well leaving gas revenues more or less unchanged.

Mr Peter Holmes, chairman of Sheil Transport

ploration earnings to £323m. Within the U5 the decline was still more severe, with earnings almost wiped out, falling from £198m last year to just

Shell's manufacturing, In marine and marketing opera-tions margins improved as a re-sult of lower crude prices. Profits recovered markedly from last year's depressed levels, which included a £100m pro-vision against the sbut-down of

While the drop in oil prices boosted margins, it also created heavy stock losses, without which income outside the US would have surged to £511m from only £23m last year. The company notes that part of the improvement is also due to recent restructuring of the sec-

The chemicals division also witnessed fatter margins due to wonessed ratter margins due to lower feedstock costs during the second quarter, and earnings rose by 74 per cent to £106m (£61m). During the quarter, petrochemicals sales tonnage rose to record levels.

In Shell's other operations, coal earnings showed little change, while in metals losses were cut from £53m last year to £7m chiefly through lower operating costs, better metal prices and the absence of restructuring charges v depressed the 1985 figure.

depressed the 1985 figure.

Capital expenditure in the first half was lower by 16 per cent at £2.20n, although much of this reflected the lower exchange rate. In the first six months Shell generated funda of £3.60n against £5.70n in the first balf of last year. At the end of June, the group bad cash balances of £50n, and a gearing ratio of 16 per cent.

During the second quarter total group sales were £18bn (£13bn). Income hefore tax was sharply lower at £1.4bn (£2.4bn), and the tax charge fell from £1.8bn in the second quarter of 1985 to £824,000.

### **BPP** achieves £0.2m in first half

BPP Holdings, which came to the USM in March, announced pre-tax profits of £208,000 for the six months ended June 1986. For 1985 as a whole the company reported profits of £155,000,

Tha directors stated that since this was the company's first interim statement there were no comparable results. The interim dividend is the 2.24p as indicated in the prospectus. They expect to pay a final not less than 2.76p. Earnings for the half-year are shown up from 4.2p to 4.7p per share on a weighted basis.

on a weighted hass.

Turnover for the company, which publishes study texts for financially-orientated professional examinations, amounted to £1.16m (£2.16m for 1985). The level of activity for the half year was in line with internal forwards the libertony and forecasts, the directors said.

They expect profits in the second half to be significantly greater than in the first due to seasonal publishing sales in October at the start of the

FINANCIAL TIMES

WORLD

**BANKING** 

This complete Survey, the first part of which appeared on May 22, will be repainted as a booklet and will be available at the price of £5 (including p&p).

Please return the coupon below for your copy of the booklet.

To: Kay Crellin, Overseas Advertisement Dept., Financial Times, Bracken House, 10 Cannon Street, London, EC4P 4BY. Cheques and postal orders psyable to The Financial Times.

Registered address: Financial Times, 10 Cannon Street, Loadon EC4P 4BY.

Registered in England No. 227590

### Continuing timber problems cut Hickson profits midway

winter, Mr M. Hopley, chairman, said that there was little prospect of improvement in New Zealand and South Africa but he expected the business to pick up Europe in the second half.

Pre-tax profits for this West Yorkshire-based company fell from £7.79m to £7m on turnover up by £2.3m to £77.19m. With earnings per 50p share coming out at 21p (22p) the interim payment has been increased from 5p to 5.3p.

Mr Hopley said that prospects for the rest of the year were mixed. Apart from the timher division, demand in the chemicals division was not risin gas some forecasters had said because of the fall in the said because of the fail in the oil price but the order position was healthy and he did not expect a repeat of the decline experienced in the middl of 1985. The investment in custom chemical making should improve profits and reduce cyclical influences.

The distribution business should do well with the inclusion of profits from recent acquisitions; he added. The pre-tax figure included net interest received of £159,000

CONTINUING problems in the timber protection division was behind a fall in pre-tax profits from Hickson International in the opening six months of 1986. In New Zealand and South Africa demand was down hecause of the low level of economic activity and in Europe margins were hit by tha severe winter.

Shares have been in the dol-drums and these results are unlikely to put wind in their sails. Chemicals have not from the lower oil price and both the New Zealand and the for the rest of the year were mixed. Apart from the timher division, demand in the chemicals division, was not riscontinuous. lems. To provide growth, the company has turned to the merchant distributors division and a series of acquisitions is de-signed to turn the sector into a serious third leg of the group. That strategy should show some That strategy should show some success in the second half, as bigher profits from the merchant distributors should disguise the continuing poor performance of timber protection. Chemicals should show some pick-up from last year's poor second half. For the full year, profits of Film look pre-tax profits of £14m look achievable, which puts the sbares on a prospective p/e of 9.5 at 398p. The company will have to show a firmer grip on the timber protection division second half to be significantly tront op 10 3.5p.

The pre-tax figure included net interest received of £159,000 sales in find £2.29m. Chemicals, where academic year. But it was too early to predict the outcome for the full year, they added.

Tax was £81,000 (£65,000).

The pre-tax figure included net interest received of £159,000 sales in from £2.29m. Chemicals, where demand recovered from the low levels of the second half of the previous year helped by low tax was £81,000 (£65,000).

Tax was £81,000 (£65,000).

The pre-tax figure included net interest received of £159,000 (£3.5m)

(£3.5m)

Comment

After some poor figures in last year's second half, Hickson's shares can he up-rated.

### Wm Jackson jumps to £2m

Second balf pre-tax profits of William Jackson & Son, baker, confectioner, meat productm anufacturer, surged from £1.26m to £2.01m and lifted the £1.26m to £2.01m and lifted the full year's result, to Aprll 26, 1986, from £2.14m to £2.78m. (£89.000 credit) the attributable balance emerged down at £1.47m, against £1.69m. (£21,000) and was after interest payable of £588,000 (£622,000).

### COMPANY NEWS IN BRIEF

1986. Earnings per share were sold in the market at 46p per 4.17p (3.27p), and net revenue share. a premium of 2p over totalled £952,000 (£747,000). Net the rights price.

LAW DEBENTURE Corpora-tion, investment trust, declared unchanged interim dividend of 2.75p for first six months of 1986. Earnings per share were sold in the market at 46p per share were sold in the market at 46p per share were sold in the market at 46p per share were sold in the market at 46p per share were shared at 12 per sh

asset value per 25p share at the period-end was 286.1p (234.1p at December 31 1985).

INVESTMENT TRUST of Guernsey raised net asset value per 50p share from 166p to 204p per 50p share from 166p to 204p SAVAGE GROUP, the USM-quoted shelving system specialist, bas bought the good-will and atock of a German supplier of wooden shelving systema, Gerhard Gohrig GmbH, for £678,000 cash.

The same of the USM-over the year to June 30 1986. Net revenue for the half year to end-June totalled £410,000 (£130,000). Earnings amounted to 3p (3.1p). The interim divi-dend is held at 2.5p. The board SHERATON Securities Inter-national's rights issue of 22.81m increase in the final—4.75p shares bas been subscribed as was pald previously.

### BOARD MEETINGS

The following companies have notified dates of based meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are insuring or finals and the subdivisions shown below are based methy on last year's timetable.

Finals: Ewart Naw Northern, Tip Top Originals. Supplies that it is that the subdivision of the final series of the state of

TODAY

### European 5 Brazilian Bank P.L.C.

**EUROBRAZ RE-REGISTERS AS A** PUBLIC LIMITED COMPANY

European Brazilian Bank Limited has re-registered as a Public Limited Company and, with effect from 8th August 1986, will be known as European Brazilian

Our customers, banking correspondents and other triends are kindly requested to amend their records

Bucklersbury House, 11 Walbrook, London EC4N 8HP

We are pleased to announce that with effect from 11th August 1986 our new address is 15 Atholl Crescent, Edinburgh EH38HA,

## BRODIES

(ws) 15 ATHOLL CRESCENT. EDINBURGH EH38HA TELEPHONE 031-228 3777 ANSWERING SERVICE 031-228 2406 TELEX 727129 FAX 031-228 3878

## BARCLAYS PLC.

The Directors of Barclays PLC report the following Group results for the half-year ended 30th June 1986.

The Chairman, Sir Timothy Bevan, said today: Barclays Group pre-tax profit increased by 8% to £434m in the first half of 1986, reflecting the Bank's policy, in increasingly competitive conditions, of seeking controlled expansion and quality profits.

Post-tax profit was 31% higher at £283m. Overall our provisions have maintained their downward trend.

The Group's strong capital position has again improved with retentions up by 38% to £214m. With the successful Euroyen issue, the free capital ratio rises to 7.1%. This is ahead of most of our major international competitors and, bearing in mind that banking is a long term business, will give us the strength we need to carry out our plans for expansion

in the UK and overseas.

It is our policy to give a first class service. In the UK, we are making our branches more attractive and have increased the number of staff dealing with customers. Nevertheless, the increase in our operating costs was held below 9%.

It remains our objective to provide stockholders with consistent real growth in earnings and we are increasing the dividend by 13% to 9.5p.

In spite of economic uncertainty and the rapid changes in banking, Barclays remains strong and flexible and I view the future with confidence.

E. The charge for transion is based on an estimated overall group rate for the rear and assumes an average UK corporation tax rates of 36.25% (1°25, 41.2°4). Deferred razation is provided at the estimated future tax rates on all familing differences between the accounting and taxation treatment of income and expenses, except where, in the optimion of the Directors, no liability to taxation is expected to crystallise.

Eurnings per £1 Ordinary stock are based upon profit before extraordinary items and after deducting taxation, profit attributable to minority interests and dividends on State stock, and are related in the Ordinary stock in issue during the half-year.

(4.832

2.488 2.475 4.7-45

1-4.832

Half-year ended Year ended 38.6.65 50.0.85 51.12.85 £m £m £m 3,308 2,601 2,601

1.50

68\* 2.621 3.548 5.427

112 1

842 790 67,223 54.65.

639 2,671 3,369 5,731

- 1.54

mmarised consolidated balance sheet of Harcleys PLC (unaudated);

Amets:
Cash and short-term funds
Investments
Advace and other accounts

Investments.
Property and equipment.

Capital resources:
Lear capital
Undated capital notes
Minority invaces in subsidiaries.
Stockholder' funds:
Called up share capital

Associated companies and trade

Timble Deran 7th August, 1986.

CONSOLIDATED PROFIT AND LOSS ACCOUNT (UNAUDITED)

(FISIONE COST MAIS)	Half-yes	r ended	Year ended
	30.6.86	30.6.85.	31.12.85
	£m	£m	£m
Operating profit	394	372	780
Share of profit of associated companies	40	31	<u> </u>
Profit before taxation and extraordinary items	434	403	854
Taxation	<u> 151</u>	187_	405
Profit after taxation	283	216	449
Profit attributable to minority interests in subsidiary companies	1	1	2
	282	215	447
Extraordinary items	(2)	(2)	3
Profit attributable to members of Barclays PLC	280	213	450
Dividends	66	58_	128_
Profit retained	214	155	322
Earnings per £1 Ordinary stock	41.0p	35.9p	69.5p
Dividends per £1 Ordinary stock	9.5p	8.4p	18.6p
Average exchange rate for period: US\$/£(Used for profit and loss account)	1.47	1.19	1,30

## The basis for determining the total provisions charge is the same as in previous years. However, the relationship between the respective charges for specific and general provisions in the 1st half of 1986 reflects the reallor alon as specific of provisions of £19m in respect of certain cross-border risks previously covered within the mislity of general provisions.

1. The accounting policies set out on pages 39 & 40 of the 1985 annual accounts are unchanged. Comparative figures for the 1st half of 1985 have been amended from those published on 1st August 1985 to take account of the change instems of Bardays National Bark Limited and the changes in accounting practices relating to dividend accounting and hyper-inflation implemented in the 1985 annual accounts.

2. On 1st June 1986 Barclays Bank PLC sequired the business of stockbrokers de Zoere & Bevan and stockjobbers Wedd Durlacher Mordaunt & Co through a new subsidiary. Barclays de Zoere Wedd Holdings Limited, in which former partners of de Zoetes and Wedds now have an islerest. The businesses of Barclays Merchant Bank and certain other subsidiary companies have also been transferred to the new group.

The profits of the Bartlays de Zoete Wedd Group reported to this announcement comprise those of the former Bartlays Merchant Bank for the six months to 30th June 1986 and the Group's share, related to its previous 20,9% holdings, of the profits of the former de Zoete and Wedd partnerships to 31st May 1986. They include a 7m of realised Investment gains by Bartlays Development Capital Limited.

In the Group balance sheet at 30th June 1986 shown in note 8 below, securities trading assets of £3,458m are included in Advances and Other Accounts and corresponding liabilities of £3,470m are included in Other Accounts. The amount of these assets and liabilities can illustrate significantly dependent on the level of trading activity in the securities maybers.

3. Analyses of profit before taxation and extraordinary items: Half-year ended Year ended 30.6.86 50.6.85 51.12.85 Em £m £m £m 2.6.5 5.000 5.70

By nature of income/expenses

Interest Income Interest expense (note 4)	3,665 2,473	5,808 2,661	7,579	
Net interest income	1,192 54	1,147 54	2,345 115	
Other operation income	540 1.786	1,697	990 3,448	
Operating expenses:				
Staff	719	660	1,545	
Property and equipment	219 258	204	419	
Omer		254	487	
	1,196	1,098	2,252	
Charles I all a College	590	589	1,196	
Charge for bad and doubtful debt	196	-		
provinces		217	416	
Share of profit of associated companies.	394 40	372	780 74	
Source from the associated combanies.		31		
	434	4113	85.4	
By srea of operation:				
UK Domestic Banking Operations.	200	196	417	
Central Retail Services Division	35	34	75	
Mercantile Credit Group	38	36	79	
Barclays de Zoete Wedd Group*	20	10	21	
Financial Services Division.	20	20	40	
Other UK Companies	16	10	21	
International Banking Operations in UK	30	34	***	
United States	34	30	109 34	
Rest of the World	41	23	58	
	434	403	854	
*1985 comparative figures are for the Ban	dars Merchant B	enk Grove (	note 2).	
Interest expense includes interest on loan o				

	Half-year en	ded 3	car ended
	39.6.86	30.6.85	3112.65
	£m	£m	£m
	180 139 319	196	363
harge/(credit) for general provisions new provisions transferred to specific provisions	35 (139) (184)	31	53
ecoveries of amounts previously written off.	(19) 196	(10) 217	(20

Period end exchange rate: US\$/ £ . . . . (Used for balance sheet) 9. Movements to stockholders' funds: 

certain companies
Thanslation difference arising on movemen 3.360 <u>5.175</u> 3.508 10. The information in this announcement does not comprise full accounts within the meaning of Section 254 of the Companies Act 1985. Full accounts for the year ended 31st December 1985 containing an unqualified audit report were delivered to the Registrat of Companies in accordance with Section 341 of the Companies Act 1985.

11. This announcement will be published in the Times, Financial Times, Daily Telegraph, and the Guardian on 8th August 1986.

DIVIDENDS

The Board has decided to pay, on 8th October 1986, a first interim dividend for the year ending 51st December 1986 of 9.50p per £1 Ordinary stock in respect of stock registered in the books of the company at the close of business on 12th September 1986. This is equivalent to 15.58% gross on that stock and represents a 15% increase over the first interim for 1985 of 8.40p. An interim dividend of 7.00p per £1 on the Scatf stock will be paid at the same time to holders registered on 30th June 1986.

Post-tax profit was £283m, 31% higher than the £216m recorded in the first half of 1985. Pre-tax profit increased by 8% from £403m in the first half of 1985 Earnings per £1 Ordinary stock increased from 35.9p in the first half of 1985

to 41.0p, a rise of 14%, and we have declared an interim dividend of 9.5p per €1 Ordinary stock, an increase of 13% on last year's first interim dividend. There was a reduction in the effective rate of taxation from 46% in the first half of 1985 to 35% reflecting the fall in UK corporation tax rates and the effect of the reallocation, as specific, of £130m of our total general provisions.

Profit by nature of income/expense.

Not interest income grew by only 4% to £1,192m, reflecting a low level of advances growth and lower interest rates in the UK, and also our continued policy of seeking to improve the quality of our lending. Other operating and foreign exchange trading income increased by 10%

to £594m. Within this figure, commission income grew by 8% to £469m.

Operating expenses rose by nearly 9% to £1,196m. The increase in staff expenses of £59m reflects the salary rises awarded to our staff and also the recruitment of additional staff in the UK to support our Customer Service

Programme.

The charge for bad and doubtful debt provisions reduced from £217m to £196m with improvements achieved principally in Rest of the Worldoperations, where specific provisions were reduced by £19m. Experience in the UK has, however, continued to be disappointing. The charge for general provisions was £35m prior to the transfer of £159m to specific provisions in respect of certain

Profit by area of operations.

UK Domestic Banking Operations - pre-tax profit increased by £4m to £200m. This growth was disappointing, reflecting a low level of commission income growth, due to the effect of 'free banking' and increased competition, and a fall in interest margins from 6.2% in 1985 to 5.7% as the impact of lower interest fates was felt. At the same ome, our costs increased as we tovested for the longer term in our Customer Service Programme,

Central Retail Services Division - includes our credit and, Masterlaan and travellers cheque operations. Pre-tax profit increased by 41m to 435m.

Our credit can operations conditued to perform well, although there was a higher level of provisions. Underlying profit from travellers cheques improved but was reduced by the coops of integraing the business purchased from Chase Manhacom

Barelays de Zoete Wedd - increased pre-tax profit to £20m This includes £7moi realised investment gains by Barclays Development Capital but represents principally the profit of Barclays Merchant Bank which experienced a very United States - achieved a pre-tax profit of £34m, an increase of £4m on the

equivalent period in 1985, and £30m above the result achieved in the second half of 1985. Results from our United States operations have been affected by the continued strengthening of sterling against the US dollar-if the average exchange rate prevailing during the first half or 1985 had been maintained, profit would have

Rest of the World - pre-tax profit increased by £8m to £41m. Our share of the profits of Barelays National Bank amounted to £10m. Our operations in France and Spain continued to make good progress.

Balance Sheet. Total assets increased by £7.8bn in the first six months of 1986. Within this figure, advances and other accounts increased by £5.9bm, in part due to the inclusion of the securities trading assets of de Zoetes and Wedds totalling some

Capital resources were strengthened through retained pmfit of £214m and the raising of US\$750m in undated primary capital notes offset by goodwill of £125m written off in connection with the setting up of Bartlays de Zoete Wedd. Since the end of the half-year capital resources have been further strengthened by the issue of Yen 40bn of 6% Guaranteed Bonds 1996.

Future Prospects. The outcome for the full year is viewed with captions optimism.



54 Lombard Street, London EC3P 3AH.

## Brunning incurs higher loss than was forecast

THE Brunning Group, once one of Britain's leading advertising agencies, has announced a forecast during May's manage-ment restructuring.

The loss of £1.18m compares with a profit before tax of £377.000 in the year to March

In May, Brunning forecast loases of up to £800,000 on PBS and £200,000 on continuing activities. In the figures reported the loss made by continuing operations was

When Brunning was listed in 1961 it was the first advertising agency in Europe to go public. In 1966 it ranked seventh among UK agencies in billings' (turnover) terms.

Against the pre-tax loss, image should be rolling on the stocks before very long and if £250,000 pre-tax is all that this year will produce, the market could soon be discounting the prospect of £2m in 1987-88. On against earnings of 9.1p in the an 18 month view the prospector of the properties of the prospector of the properties of the propertie

According to Mr Shonfeld it now ranks about 30th, with a turnover in the year to March of £60.7m against £56.8m

The company has always been comment a mixture of a London based agency with major clients and a regional agency offering a different level of service on a

Group clients include Lever Bros, MFI Furniture, Halifax Building Society, Payless DIY, Toyota and Lyons Tetley.

96,000.

Against the pre-tax loss,
When Brunning was listed in Brunning has offset a tax credit

previous year. As announced in May, no final dividend is to be paid—leaving the annual total at the unchanged interim level of 2.1p.

The institutions which backed May's placing of the Brunnings' family shares at 145p and which supported the management restructuring rather than a sell to Charles Barker, appear with a profit before tax of £377.000 in the year to March 1983.

Mr Trevor Shonfeld, who became chief executive in May, sald that all the loss over and above that forecast had taken place in PHS Nelson, the contract packaging subsidiary. PHS was sold to its management as of March 31.

In May, Brunning forecast loases of up to £800,000 on PBS and £200,000 on continuing activities. In the figures man, said Mr Shoofeld, and a now removed it is to be hoped new creative director for the London office has been poached from one of the top five on billings the market expects. A new name or at least a new image should be rolling off the tive multiple is only 4 at 165p—a gamble that may be worth taking when the competition is riding on p/e ratios over the 20 mark.

A BOOST in the holidays and and property concern with in- £222.031 leisure contribution more than offset increased interest and After tax down at £92,452 (£128,371) earnings per 5p share are shown as 0.8p (0.3p).

terests in holiday villages and leisure. property investment, rose by £1m to £5.84m and yielded a gross profit of £1.56m (£1.2m)—holidays are leisure turnover was £5.57m (£4.59m).

Operating profits amounted to £821,439 (£614,562) of which bolidays and leisure contri- profitability. buted £573,530, against They adde

The dividend is held at 0.511p buted £573,530, against they added that the increase with a same-again final payment of 0.3797p.

Turnover for this investment was £250,809, compared with reviews and lease renewals.

### WSL buys charter flight specialist

WSL Holdings, the former Wolverhampton Steam Laundry, yesterday announced a further expansion of its travel operations with the purchase for up to £4.7m of Pilgrim Air, a char-ter flight company specialising in flights to Italy.

in flights to Italy.

Pilgrim, B private company owned by Mr and Mrs Flaviano Preston, made a pre-tax profit of £354,000 in the year ended March 1986 compared with £2,000 in 1981-82. It sold more than 250,000 aircraft seats in the 1985-88 tourist season and also has an inclusive holiday husiness operating as Magic of Italy.

Abroad Group, another specialist travel company, for up to £12m in a move, which gave it a total of 72 per cent of the school travel market.

At the same time it sold its laundry business to its manage-ment though it retained the

freehold of the property.

The Pilgrim deal will take the total capacity of WSL to 465,000 aircraft seats a year The air travel programmes of the current group are geared to the December to April months, while Pilgrim offers seats mainly between March and October.

The purchase of Pilgrim will save WSL £130,000 paid snnu-ally to airline seat brokers and should allow WSL to offer flights for not much more than competing coach holidays.

Mr Peter James, WSL chair man, said growth potential for educational travel was very large since only 500,000 of the 10m people in full-time educa-tion in Britain took part in such holidays. Lionel Barber reports on the background to FII's latest expansion

### Acquiring the Lotus position

MR MONTY SUMRAY leant forward across the table and said: "Most shoe manufacturers in this country are still living in the Middle Ages." He paused. "I am sorry, I mean Victorian

Mr Sumray is the superconfident chairman of one of conneent coairman of one of Britain's most profitable shoe-makers, the South Wales-based FH Group. While many of its fellow UK manufacturers have gone into gentle decline, FH has boosted profits steadily. The most eloquent expression

yesterday of Mr Sumray's own success was his chauffeut-driven blue Rolls-Royce standing out-side the office of his bank advisers, Charterbouse.

The Rolls appeared yesterday as FII, formerly Footwear Industry Investments, announced a £19m acquisition which would wSL began its move into the travel husiness in June 1985 with the purchase of H & C Travelway, a school travel operator, for up to £2.1m.

Last March it bought Schools Abroad Group, another travel will become one of the largest stoe-makers in the UK. behind Clarks and the British Shoe Corporation.

Lotus, a shoe manufacturer the origins of which go back to 1760. Lotus was bought by Dehen-bams, the stores group. in 1973, which in turn was acquired last year by the Burton Group, the high street clothes and fashion retailers. Burton is selling in order to concentrate on its core business of retailing. For the ebullient Mr Sumray.

the Lotus acquisition gives FII e mouthwatering opportunity: the chance to run a high-quality



Mr Monty Sumray, chairman of FII: "Most shoe manufacturers living in Victorian times."

be says his own group cannot during the industry's grim make enough shoes to satisfy decline in the mid 1970s.

Last week FII opened a new

demand.

For those who believe the British shoe industry is permanently on its uppers, FII stands out as a company which has refused to be cowed by the everpresent threat of foreign imports, which still account for some 60 per cent of the UK, market.

Last week FII opened a new 120,000 sq ft factory in Bridgend, South Wales, at a cost of £4 m, which Mr Sumray colaims has the most modern and efficient production methods in the UK, Europe, "possibly in the world." Part of FII's success, through its shoe manufacturing sub-

market.

Quality helps as well. Mr Sumray claims a reject return rate for Flona of just i per cent compared with an industry aver-

age of between 5 and 10 per cent, including imports, while pre-tax profit margins stand at 17 per cent, compared with Lotus's 10 per cent. Unlike some other Marks sup-

street retailer which Mr Sumray has supplied for the past 28

plicrs, Mr Sumray says he has never been aqueezed on margins and is comfortable with the fact that the combined group will send half of its sales to Marks. If this acema too snng, it is

worth remembering that Mr Sumray has had his setbacks. The 1986 accounts will show an The 1986 accounts will show an extraordinary term amounting to about £300,000 relating principally to the closure of a loss-making merchanting division. There is more to FII than footwear. The newly-acquired laboratory instrument maker, Denley Instruments, which makes blood testing equipment, made £300,000 pre-tax profits in its first year, according to Mr Sumray. But that only accounted for 15 per cent of FII's estimated pre-tax profits of not less than 150 cm and of the state of the stat than £2.2m for the year ended last May.

THE PAYS BY

There remains a heavy dependence on shoes and yesterday deal will turn FII Into Marks & Spencer's largest supplier of ladies' shoes and second largest supplier of outdoor footwear.

But with room for higher margins at Lotus there is plenty profitable shoe manufacturer The company's counter-attack sidiary. Fiona Footwear, lies in But with room for higher which is atrong in design and came in the form of sustained the company's close relationship margins at Lotus there is plent fashion. And this at e time when capital investment, particularly with Marks & Spencer, the high of running left in Mr Sumray.

### Holiday division boosts J Webb

left taxable profits of Joseph Webh ahead at £303,76B, com-pared with £230,002, for the year ended March 31 1986.

The directors said that the group bad recently launebed its scheme for caravan sales to private owners on aelective areas of its caravan parks and holiday villages which it was aoticipated would provide additional income and increasing

### Bank of Scotland

The offer and loan note alternative from Bank of Scotland for the Commercial Bank of Wales will remain open for acceptance until 3 pm on August 20 and not August 28

as stated yesterday.

### Grosvenor Square disappoints

its shoe manufacturing sub-

A WEAKER investment market for offices outside central London together with adverse weather conditions during the winter and spring were blamed by the directora of the Grosvenor Square Properties Group for disappointing 1985-1988 results.

At the pre-tax level the group ran up losses of £78,000 compared with previous profits of £1,06m, Losses at the half-year stage amounted to £180,000.

Strategic changes have been At present the USM group made to the type and scale of has a development programme

being placed on retail schemes —shopping centres such as the Colonnades at Bath and tha London Pavilion in Piccadilly

At the same time the size of scheme was generally larger which, it was pointed out, in most cases meant a longer development period leading to profits being realised over a longer term.

development being undertaken. representing a value on com-The directors axid yesterday pletion of £100m. The directors that a greater emphasis was were confident that the strength of the programme would be evident in future years, although it may not be apparent in the next half year.

Turnover for the past year (to March 1986) declined from £9.44m to £6.4m.

Losses worked through at 1.08p (earnings 15.1p) per 10p share but as a mark of their confidence the directors are lifting the net dividend to 6p (5.5p), the final being 3.75p.

## MONTEDISON

a company with registered office in Milan,
Foro Buonaparte 31;
a subscribed and paid-in capital of
Lit. 1,666,435,498,000;
registered at No. 355 of the Companies Section of the Court of Milan

NOTICE OF A GENERAL MEETING OF SHAREHOLDERS

Shareholders are hereby convoked to attend an extraordinary General Meeting of shareholders, to be held at the Company's registered office in Milan, Foro Buonaparte 31, on 30th August, 1986, at 10.00 AM (first call), and, if needed, on 1st September

31, on 30th August, 1786, at 10.00 AM (first call), and, if needed, on 1st September 1986 (second call), or on 2nd September 1986 (third call), same time and place, in order to discuss and vote upon the following Items on the agenda:

—Increase in capital by an issue of no. 901,663,200 new shares, par value Llt. 1,000 each, dividend payable as of 1st January 1986, of which No. 701,293,600 common shares, and No. 200,369,600 savings shares, to be offered at par (plus Llt. 50 for dividend adjustment and reimbursement of expenses) to existing shareholders and existing holders of Montedison 14 per cent and 13 per cant 1984/1991 convertible honds:

vertible bonds;

—Amendment of Article 6, Paregreph 1, (reporting the new capital) and Article 25, Paragraph 3, (amending the existing provision that a proxy must be a Montedison's shareholder) of the Articles of Association;

—Resolutions on the above items.

Shareholders will be entitled to attend the General Meeting if, at least five days prior to the Meeting, they have deposited their share certificates at the Company's registered office or at one of the following financial Institutions: In Jody:

registered office or at one of the following financial institutions:

In Jioly:

Monte Titoli (for certificates deposited with the same), Credito Italiano, Banca Commerciale Italiana, Banco di Roma, Banca Nazionale del Lavoro, Banco di Napoli, Banco di Sicilia, Banco di Sardegna, Istituto Bancario San Paolo di Torino, Monte dei Paschi di Siena, Banca Agricola Mantovana, Banca Agricola Milanese, Banca Antoniana di Padova e Trieste, Banca Cattolica del Veneto, Banca Cesare Ponti, Banca Credito Agrerio Bresciano, Banca dei Monte di Milano, Banca dei Monte di Pavia, Banca di Legnano, Banca Lombarda di Oepositi e Conti Correnti, Banca Manusardi & C., Banca Mercantile Italiana, Banca Nazionale dell'Agricolture, Banca Nazionale delle Comunicazioni, Banca Popolare Commercio e Industria, Banca Popolare di Bengamo, Banca Popolare di Intre, Banca Popolare di Lecco, Banca Popolare di Milano, Banca Popolare di Novara, Banca Popolare di Sondrio, Banca Provinciale Lombarda, Banca Subalpina, Banca Toscana, Banco di Chiavari e della Riviera Ligure, Banco di Santo Spirito, Banco Lariano, Barelays Bank PLC, Cassa di Risparmio delle Provincie Lombarde, Cassa di Risparmio di Firenze, Cassa di Risparmio di Roma, Cassa di Risparmio di Padova e Rovigo, Cassa di Risparmio di Roma, Cassa di Risparmio di Padova e Rovigo, Cassa di Risparmio di Roma. Cassa di Risparmio di Roma, Cassa di Risparmio di Roma, Cassa di Risparmio di Roma Romagnolo, Credito Commerciale, Credito Emiliano, Credito Lombardo, Credito Romagnolo, Credito Varesino, Credito Romagnolo, Credito Varesino, Credito Roma Roma Ambrosiano, Standard Chartered Bank Limited.

(By appointment of Italian bank according to law.)

(By appointment of Italian bank according to law.) ABROAD:

fin Switzerlond: Crèdit Suisse-Zurich, Société de Banque Suisse-Basel and Zurich, Union de Banques Suisses-Zurich, Hontsch & Cie.-Geneva, Banca della Svizzera Italiana-Lugano, Banco di Roma per la Svizzera-Lugano, Crédit Commercial de França

fn France: Banque Nationale de Paris, Crédit Lyonnais—Paris,

In Great Britein: Hambros Bank Ltd.—London.

fn Beigium: Banque Bruxelles Lambert, Kredietbank, Genérele Bank—Bruxelles.

fn West Germony: Deutsche Bank, Dresdner Bank—Frankfurt 2/Main.

In The Netherlands:
Amsterdam Rotterdam Bank N.V.—Amsterdam and Rotterdam.

In U.S.A.: Citibank N.A.—New York.

On behalf of the Board of Directors Dr. Mario Schimberni

PROCEDURES TO BE FOLLOWED BY FOREIGN SHAREHOLDERS:

(a) Shareholders wishing to attend (a) Shoreholders wishing to oftend
They must request in writing or by telex that the bank in which their shares are
deposited issue an admission ticket, if that bank is one of Montedison's above-listed deposited issue an admission ticket, it that bank is one of Montedison's above-listed depositary banks. If the bank in which their shares are deposited is not one of Montedison's depositary banks, they must request that that bank trensfer their shares to one of the depositary banks so that an admission ticket can be issued. All admission tickets must be issued by August 25th at the latest, five business days refer to the receipt meeting the shares of the days refer to the receipt meeting the shares of the days refer to the receipt meeting the shares of the days refer to the receipt meeting the shares of the days refer to the receipt meeting the shares of the days refer to the receipt meeting the shares of the days refer to the receipt meeting the shares of the days refer to the days of the days refer to the receipt meeting the shares of the days refer to the days of the days of the days refer to the days of the days refer to the days of the days refer to the days of the days days prior to the general meeting.

(b) Shareholders wishing to vote by proxy
Under Italian law and pursuant to Montedison's existing articles of association a proxy may be given only to another Montedison shareholder; banks, members of the management statutory auditors, and employees of Montedison and its subsidiaries

Please Note: Shareholders may contact the foreign branches of the above-listed Italian depositary banks to expedite these procedures

BRITISH COLUMBIA HYDRO AND POWER AUTHORITY

161% U.S. Dollar Notes Series FE, due 1988 -Security Reference No. 468 377-

### Notice of redemption

Pursuant to Article 5 of the Terms and Condidens of the Notes, we hereby announce that all outstanding Notes of the above issoe in the nominal of U.S.5100,000,000,— are to be redeemed on October 29, 1986 at a price of 101% of their principal amount. The Notes are repayable on or after October 29, 1986 to bearer upon presentation of the Notes along with the interest coupons falling due on October 29, 1987 and 1988

(a) In the United States of America: at European-American Bank and Trust Company, New York

of the banks listed below, in accordance with the Conditions of Issue: Deutsche Bank Aktienvesellschaft. Frankfurt am Main Canadian Imperial Bank of Commerce, London and Paris Generale Bank NV. Brussels

Amsterdam-Rotterdam Bank N.V., Amsterdam Banque Générale du Luxembourg S.A., Luxembourg

Swiss Bank Corporation, Basel

The Notes shall cease to bear interest on October 28, 1986. The amount of missing coupons will be deducted from the principal. The interest coupons falling due on October 29, 1986 will be paid separately in the usual manner.

Special Subscription

HAND DELIVERY SERVICE

of the **FINANCIAL TIMES** EUROPES BUSINESS NEWSPAPER

SWITZERLAND

You can obtain your subscription copy

in the centre of the cities indicated,

personally hand-delivered to your office

**EUROPEAN TRADED OPTIONS** 

Tuesday Wednesday Thursday Friday

Only in the Financial Times

of the Financial Times,

Peter Lancaster

for further details contact:

Financial Times (Switzerland) Ltd

15 Rue du Cendrier 1201 Geneva 1

Switzerland Tel: 311603/4 Telex: 22589

Vancouver, in July 1986 BRITISH COLUMBIA HYORO AND POWER AUTHORITY

A final payment of 3.7p

(3.5p) lifts the total dividend to 5.3p, compared with 4.9p. After tax of £449,982 f7.69m (£7,13m) with the net constraint of £429, they were proposing an increased dividend terests, £82,394 (£111,203). to 191.7p.

## SEET drops to £1.24m SECOND HALF pre-tax profits of Scottish English and European Textiles, woven fabrics group, fell from £1.09m to credit of £71,903 (£260,000 £569,000 and left the full year figure ended April 30 1986, at £1.24m, against £1.93m. Turnover dropped from £18.51m tn beted during the 1985-86 year, £14.69m.

### Asset value up 38% at TR City

wermackburn and Co., completed during the 1985-86 year.
The directors said that the balance sheet remained strong with net cash balances of £2m (£1.4m) at the year end. Net tangible assets increased to £7.69m (£7.13m) with the strong transfer of £7.69m (£7.13m) with the strong transf TR City of London Trust im-

with e fourth interim of 1.175p

### CONTRACTS

### ICI offices development

Group, bas secured aix contracts with a total value of over £7.5m. The largest is a £2.3m contract covering phase 6 of offices at fernhurst, Haslemere, for Imperial Chemical Industries, following on from completion of the adjacent conference centre. the adjacent conference centre, also built by Roberts. Further office projects include, one £1.5m at Queensway, W2, for Dorringat Queensway, W2, for Dorrington Investments, and a design and build contract of £1.1m at Millwall, Isla of Dogs, for Baltic Developments. At Reading University, Roberts is building a £800,000 sports ball, while at Alpine Way, Beckton, is a £800,000 reinstatement of a warehouse for Soott Usig & Ca Wark house for Scott Haig & Co. Work starts soon on a film residential scheme at Wapping, E1, for Stride Developments.

ALFA-LAVAL ENGINERING bas received a f1.5m order from Van deo Berghs for the supply of plate heat exchangers, pumps, valves, tanks and CIP (Cleaning-In-Place) for plant at Purfleet, Essex. The order is scheduled for complation in February, 1987.

TAYLOR WOODROW CON-STRUCTION (BCOTLAND) hes received a contract, valued at £1.7m from Heriot Watt Universtevent a contract, vanien at 1.7m from Heriot Watt University for the construction of a library and a television centre at Riccarton Campus, Currie, Midiothian. The work calls for the erection of a four-storey library building of in-situ concrete frame on pad foundationa with external walls of cavity hrickwork, aluminium windows, bit felt roofing, acoustic ceiling and air conditioning. The two-storey television centre building will have loadbearing blockwork and pre-cast upper floor, a timber roof with profiled aluminium cladding, external cavity walls of hrick external skin and fair face block internal. The work also includes mechanical and electrical services.

A. ROBERTS, Wimbledon, part of the Multi Construction (UK) as secured aix contracts with a total value of over £7.5m. control systems for fin stabilizers

A second order for miniphyses. fitted to US Navy FFG7 class frigates. The order, placed by the US Navy, is scheduled for delivery in early 1987.

REMSDAQ, of Deeside North Wales, a division of The De La Rue Company, bas been awarded a contract valued at £6m for an integrated telemetry, instrumen-tation and control scheme for tha Ministry of Electricity and Water BOWMER & KIRKLAND has won orders worth 56m. They include: a £1.5m contract to build a sheltered housing complex at Ealing for the Ealing Family Housing Association; a £2.5m retail development for Bendigo Properties at Burton-on-Trent; and a £1.3m retail development for Renaissance Properties at Derby, comprising six ahop units.

Ministry of Electricity and Water Kuwalt. The contract was placed by Hyundai Engineering and Construction Company of South Korea, main contractor for the construction of a water storage and distribution complex at Az Zour, together with a pumping station and regional control overall project is known ea the Az Zour Water Distribution Scheme.

Two companies within the MADEN GROUP have won contracts from China bringing the value of their work in that country to fom. The latest, for paint finishing systems company Haden Drysya and Haden King, conveyor systems specialist, is for spray booths, ovens and associated conveyora at the Tianjin light truck factory. Haden Drysys is already working at eight other commercial vehicle plants in China where the company's personnel are supervising pany's personnel are supervising and commissioning the work. Haden King la supplying the con-veyor systems at five of these facilities.

hrick external skin and fair face block internal. The work also includes mechanical and electrical services.

\*\*
MUIRHEAD VACTRIC, a member of the RHP Group, has been described by the services of the RHP Group and the services of the services of the RHP Group and the services of the serv

A second order for mini-buses has been won by CARLYLE WORKS, Birmingham - based National Bus Company sub-aidiary, for 38 Carlyle Sherpa MECHANICAL HANDLING has secured orders worth nearly £20m. Incinded are an £8m order for departures baggage in handling systems at the British Airports Authority's Heathrow is Terminal Three, two offshore g platform emergency evacuation to systems (GEMEVAC) worth a £2.75m for Mobil (Norway) Inc. equipment to handle bulk and bagged fertiliser, Immingham site worth £3.1m, and a £1.3m gold ore treatment complex for the Sudan. additional atanding passenger and luggage capacity.



Highlights from the Review by the Chairman, Mr. G. Ross Goobey for the year ended 25th December, 1985.

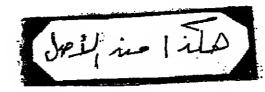
PROFTS Turnover of the Group increased by 13.1% to £6,228,787 and net revenue before tax amounted to £4,871,455.

DIVIDEND Dividends increased to 17p per share (1984 – 14.5p).

**PROSPECTS** The remaining four floors at 35/38 Portman Square have now been let. Elsewhere the Group has very little vacant space and a healthy demand exists for offices in the City

Salisbury House, London EC2

H (Bussile



AUTHORISED
UNIT TRUST INFORMATION SERVICE

OF UNIT Financial Times Friday August 8 1986 LONDON RECENT ISSUES **AUTHORISED** FT UNIT TRUST INFORMATION SERVICE **UNIT TRUSTS** EQUITIES 201 + 0- Nor. Trues Gross F.E.
202 bid 5.25 2.9 4.4 11.2
2 5.4 2.8 6.9 7.2
2 84.9 2.3 5.7 10.9
2 84.9 2.3 5.7 10.9
2 11.0 4.2 2.0 16.6
2 10.5 2.7 2.2 17.1
2 80.2 2.4 2.1 1.9
2 10.5 2.4 4.3 13.3
2 10.9 1.9 5.9 11.9
2 12.2 2.8 2.4 21.1
2 12.3 1.4 1.0 19.6
2 12.3 1.4 1.0 19.6
2 12.3 1.4 1.0 19.6
2 12.3 1.4 1.0 19.6
2 12.3 1.4 1.0 19.6
2 12.3 1.4 1.0 19.6
2 12.3 1.4 1.0 19.6
2 12.3 1.4 1.0 19.6
2 12.3 1.4 1.0 19.6
2 12.3 1.4 1.0 19.6
2 12.3 1.4 1.0 19.6
2 12.3 1.4 1.0 19.6
2 12.3 1.4 1.0 19.6
2 13.3 1.4 1.0 19.6
2 13.3 1.4 1.0 19.6
2 13.3 1.4 1.0 19.6
2 13.3 1.4 1.0 19.6
2 13.3 1.4 1.0 19.6
2 13.3 1.4 1.0 19.6
2 13.3 1.4 1.0 19.6
2 13.3 1.4 1.0 19.6
2 13.3 1.4 1.0 19.6
2 13.3 1.4 1.0 19.6
2 13.3 1.4 1.0 19.6
2 13.3 1.4 1.0 19.6
2 13.3 1.4 1.0 19.6
2 13.3 1.4 1.0 19.6
2 13.3 1.4 1.0 19.6
2 13.3 1.4 1.0 19.6
2 13.3 1.4 1.0 19.6
2 13.3 1.4 1.0 19.6
2 13.3 1.4 1.0 19.6
2 13.3 1.4 1.0 19.6
2 13.3 1.4 1.0 19.6
2 13.3 1.4 1.0 19.6
2 13.3 1.4 1.0 19.6
2 13.3 1.4 1.0 19.6
2 13.3 1.4 1.0 19.6
2 13.3 1.4 1.0 19.6
2 13.3 1.4 1.0 19.6
2 13.3 1.4 1.0 19.6
2 13.3 1.4 1.0 19.6
2 13.3 1.4 1.0 19.6
2 13.3 1.4 1.0 19.6
2 13.3 1.4 1.0 19.6
2 13.3 1.4 1.0 19.6
2 13.3 1.4 1.0 19.6
2 13.3 1.4 1.0 19.6
2 13.3 1.4 1.0 19.6
2 13.3 1.4 1.0 19.6
2 13.3 1.4 1.0 19.6
2 13.3 1.4 1.0 19.6
2 13.3 1.4 1.0 19.6
2 13.3 1.4 1.0 19.6
2 13.3 1.4 1.0 19.6
2 13.3 1.4 1.0 19.6
2 13.3 1.4 1.0 19.6
2 13.3 1.4 1.0 19.6
2 13.3 1.4 1.0 19.6
2 13.3 1.4 1.0 19.6
2 13.3 1.4 1.0 19.6
2 13.3 1.4 1.0 19.6
2 13.3 1.4 1.0 19.6
2 13.3 1.4 1.0 19.6
2 13.3 1.4 1.0 19.6
2 13.3 1.4 1.0 19.6
2 13.3 1.4 1.0 19.6
2 13.3 1.4 1.0 19.6
2 13.3 1.4 1.0 19.6
2 13.3 1.4 1.0 19.6
2 13.3 1.4 1.0 19.6
2 13.3 1.4 1.0 19.6
2 13.3 1.4 1.0 19.6
2 13.3 1.4 1.0 19.6
2 13.3 1.4 1.0 19.6
2 13.3 1.4 1.0 19.6
2 13.3 1.4 1.0 19.6
2 13.3 1.4 1.0 19.6
2 13.3 1.4 1.0 19.6
2 13.3 1.4 1.0 19.6
2 13.3 1.4 1.0 19.6
2 13.3 1.4 1.0 19.6
2 13.3 1.4 1.0 19.6
2 13.3 1.4 1.0 19.6
2 13.3 1.4 1.0 19.6
2 13.3 1.4 1.0 19.6
2 13.3 1.4 1.0 19.6
2 13.3 1.4 1.0 19.6
2 13.3 1.4 1.0 19.6
2 13.3 1.4 1.0 19.6
2 13.3 1.4 1 Amount Litest 1986 Paid Reven. Pele High Low 160 F.F. - 170 166

18 F.P. 156 127 106

18 F.P. 156 127 106

18 F.P. 228 72 123

18 F.P. 228 72 124

18 F.P. 286 15 120

18 F.P. 287 18 18 145

18 F.P. 287 18 18 145

18 F.P. 287 18 18 18

125 F.P. 86 167 128

125 F.P. 87 115 85

125 F.P. 187 115 85

125 F.P. 187 115 85

126 F.P. 187 110 85

17 F.P. 187 110 85

18 F.P. 187 110 85

18 F.P. 187 110 85

19 F.P. 187 110 85

19 F.P. 187 110 85

10 F.P. 298 191 191

10 F.P. 298 191 191

10 F.P. 298 191 191

10 F.P. 198 199 157

10 F.P. 298 114 112

112 F.P. 188 199 157

113 F.P. 298 114 112

115 F.P. 288 189 116

116 F.P. 188 242 219

126 F.P. 288 189 116

127 F.P. 686 189 116

128 F.P. 288 189 116

129 F.P. 288 189 116

120 F.P. 288 189 189 180

120 F.P. 288 189 180

120 F.P. 288 189

1 FIXED INTEREST STOCKS Price Paid Rennac 1986

E sp Date High Low Closing Price + or 5.P. 179
525 179
520 2978
6.P. 156
6.P. 2978
525 2470
6.P. 2470
6. 977.947 £100 £100e 109.89 97.963 105.523 #99.937 1100 11 "RIGHTS" OFFERS Closing Price P 150 -4
1<sub>20m</sub> .....
150 -162 -6
158pm -13
220 +5
220 +5
220 m ....
22pm ....
22pm ....
47
21pm -2
18pm ....
88
.....
37 .... FT CROSSWORD PUZZLE No. 6,094 CINEPHILE 7 down 22, 1 down 19, 5 8, and 17 29 were "20 down 14s" 2 3 4 8 6 7 8 .. ACROSS

1 Puma. lacking love, eats flowers, which is sweet and fine (6.5)

7 Friend at his lord's return?

(3)

8 Rake on pole in eathedral city (5)

10 He broadcasts part of speech during movement of crane (9)

11 One who plots to ruin tiger?

(3)

12 Couple on short time at cathedral (5)

13 Coming of one who sounds like a competitor (7)

14 Regular diet requires fat (4)

15 Regular diet requires fat (4)

16 Despicable person who gets to the top? (4)

20 Ples man used to put on jury? (7)

21 Load that makes motor work

5 Public information—a long time left (7)

6 Song and dance, possibly, with another way home (5.4)

7 Learned man of the same carat gold? (6)

8 Byton's name for a high-lander (6)

14 If the century put to right between two boys (9)

15 Regular diet requires fat (4)

16 Despicable person who seunds to the top? (4)

27 Load that makes motor work

28 Ples man used to put on jury? (7)

29 Load that makes motor work

5 Public information—a long time left (7)

6 Song and dance, possibly, with another way home (5,4)

7 Teriend at his lord's return?

7 Learned man of the same carat gold? (6)

8 Byton's name for a high-lander (6)

19 Turkey's part in alliance actress from Italy (8)

10 Deep place in 10 changed to high (7)

21 Direction—move slowly and write badly (6)

22 Boy poet (6)

23 Start to ask at home (5) 22 Load that makes motor work

(5)

24 Anxious person who needs liberatin? (4,5)

25 Anstralian, a tedious person with one drink in him (9)

26 Old doctor's written article in valley (5)

27 Boy finds woman infinite (3)

28 Boy finds woman infinite (3)

29 Bird that will need a quiet day? (11)

DOWN

1 Bird with numbers (8)

2 Speaks after silence, put up after work? (8)

3 Num that is suffering from tedium (5)

4 Bird to dispose of silver refined inside (3-4) 

points

shed thing T at TRG  $(1/2\pi)^{-1} \leq (1/2\pi)^{-1} \leq (1/2\pi)^{-1}$ 

.... •

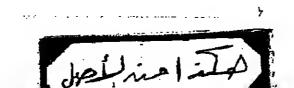
A S A W F R S S EATE W . W . W . R 2 +77 .... arnford . restment

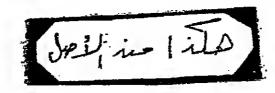
C

Property of the second of the

18   Waverley Asset Management Ltd (a) (c) (g) City of Edinburgh Life Assurance   13 Charictle Sq. Edinburgh   031-225 1655   46 Chartotle Sq. Edinburgh ER2 4M0   031-225 1655   46 Chartotle Sq. Edinburgh ER2 4M0   031-225 1655   67	AUTHORISED UNIT TRUSTS & INSURANCES	Provincial Life Assurance Co Ltd 222 Binhopogale, London EC2 Managed Fo 4293 692 4 Cast Fd 4293 205 9	01-207-0533 Janua Serie en
WestAvoo Unit Trust Managers Ltd(a\forall f)  9 Portland Square, Bersol 852 855	Equitable Life Ass Sec—Contd  Pension Finds  Factor   1070   175#   40.4   50.4   50.5   1.55	High Income 907.5 327 1	U. Eggetr 294.3 315.0 4.8 April 2017 - 275.5 34.1b -1.7 - 275.5 34.1b -1.7 - 275.5 34.1b -1.7 - 275.5 34.1b -1.7 - 275.5 34.1b -1.4 - 275.5 34.1b -1.5 - 275.5 34
### WindSop Trust Magrs Ltd   Free discretifued   150   151 4	140.7   140.	Property Pers, Acc	UE Entiry Presided  Protes (He Series A Acc. Preside Series & Acc. Ang &  Scottlish Amicable townshments  150 St Waster St Glospow  Control Series (1997)  International 122 B 138 17 18 18 18 18 18 18 18 18 18 18 18 18 18
The Yorkshire Seneral Trust   Woodows Pile   D484 60250   Loss   Pale   Brook BS2 Quit   C272 200566   T.6.7   Loss   L	Interruptions Find   DMS   Sept   DMS   Sept   DMS	Acom Namapir Part	71247 6-533 Current Peter Int. 197 6-531 Current Int. 197 6-531 Current Int. 197 8-531 Current Int. 197 8-531 Current Int. 197 8-53
Abbey Life Assorbace Co Ltd 60 hotbeburs Robe   100	Formula   Form	Descrive Fol John 30	28 St Andere Sq. Edinburgh hand   18.2   231-295, 9102
Americal Set 4	Federation Mutual Instruments Ltd 20 Link Ser Can   100 m   10	PRI 2 20 10 19 20 10 19 10 10 10 10 10 10 10 10 10 10 10 10 10	Pers Missell (1972) - 123 - 123 - 124 - 125 - 12
Actna Life Iesurance Co Ltd  60 St Robus E. Control E. Colored	Life Funds   Life   L	All large have counted arriven hand, beries 2 (ders, swallaste from Regency 1 (de Religence Muttuel Reckence Ausse, Fontariose Wells, Kerd. Despot Cartari 61 102-5 108-2 Despot Act Fd. 104-5 107-5 107-5 Fontariose Fd. 104-5 107-5 Fontariose Fd. 104-6 207-5 108-5 Act Fd. 104-6 207-5 108-5	+01 - 39 St American Square, Epitology 103, 223 2211
12   15   15   15   15   15   15   15	Fixed   III	From the Pol (18st 16st 1279 Prop the Pol (18st 16st 1279 Prop the Pol (18st 1	Pest Europein Se07 2519 -0.0  Pent Standard 1702 1874 +18 -18 -18 -18 -18 -18 -18 -18 -18 -18 -
Martin   M	G7 Plus Boset Fued   178 5   177 9   -2.13	20 Cittor St. EC2A 4HX	733 252524  733 252524  734 252524  735 252524  736 252524  737 252524  737 252524  737 252524  738 25
Allied Borrhor Assurance Ple Allied Borrhor Cr., Swardon Sel 1 (E.   6793 (2029)   1004   105.17   -0.4	20/24 Addiscumbe for, Croystan CP4 585 01-686 0411 Managed Server 1 20,55 277 4 De Accumt 215.6 Managed Server 1 20,55 277 4 De Accumt 215.6 Managed Server 1 20,55 277 4 De Accumt 215.6 Managed Server 1 20,55 277 4 De Accumt 215.6 Managed Server 1 20,57 20,7	Pens B 69 de	Pros Green's Fast   117 h   123 st   -0.4
10   10   10   10   10   10   10   10	Per But Des Act   111.0   116.0     The LAS Brotap   Per Parallel   11.0   11.0     The LAS Brotap   Per Parallel   11.0     The LAS Brotap   Per Parallel   11.0     Per Parallel     Pe	BTL Process Fort	Scottish Provident, Institution  52 Andrew Sq. Ediborred  1 A 27 1 50 0 -0.4 -0.4 -0.4 -0.4 -0.4 -0.4 -0.4 -
Prof. 8.5. Eac.   1981   407 b	Standors Enter lat.   114.3   33.4	International Legistre 0, 194.5   90 to American 194.   187.7   187.1	0.1 Proc. Property Ind. 118.6 124.7 127 128 128 128 128 128 128 128 128 128 128
Apple Range—Let  # Apple Range—Let  # Accepting Acid —	Particle   Fig.   1986   198	sed Growth	13   Capably Fund.   Call   270   250
Position France   164   158   1   1   1   1   1   1   1   1   1	Inc. Manager   142.0   -0.7   -0.00   -0.7   -0.7   -0.00   -0.7   -0.00   -0.7   -0.00   -0.7   -0.00   -0.7   -0	Martina   15.6   40.2	Pre. Cust Fel. Ord.   15615   1722   1241   1242   1244
Gul Prices Screen   170   221   170   17	Per Freet in Res   116.9   127.2   116.5   127.2   127	obstal 2013 2 10 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	11. Stateman Like Finds 11. St
Cold Street Mark Later   Cold Street   Cold St	2-8 Prince of Wales Rd, Sourcement 0202 787655	10.0   0.0	1.4 Senior Employees 00.5 (1.5
International   Internationa	April 19   April 20	artitis   109-1   111 7   -0   -0   -0   -0   -0   -0   -0	
Francis   Fran	Second	are P Gart CCF 114.6  and P Bart CCF 114.6  and P Bart CCF 114.6  124.0  and P Bart CCF 114.6  124.0  124.0  124.0  124.0  124.0  124.0  125.2  126.7  126.1  126.1  127.7  126.1  126.1  126.1  127.7  126.1	Australian Graves   66.3   60.7   60.
Processor   Proc	0 Accorn   122  1   122  8   -0.1   18.20 The Forbory, Reeding   18.20 T	Ade Increases 1000 100.3 at the Photograp 12.5 at the Photograp 12	Care
Control   177	Property   19   19   19   19   19   19   19   1	re Half Place, Liverpool LS9 3HS	Extra lactions
Annual	Internation   19   Internation	wat Get Cales 176 2 = 0.8 wat Get Cales 176	For Extreme 114.0 16.3 16.3 16.3 16.3 16.3 16.3 16.3 16.3
Control   Cont	100   Per und Line   100   Per und Line   100   Per und Line   100   Per und Line des line   100   110   110	Pres Par   12   2   3   4   4   4   4   4   4   4   4   4	10   10   10   10   10   10   10   10
		er Acces	Canada   105 a

1/41 1/41 1/41





Anna 34 E distance of the state of the Financial Times Friday August 8 1986 | Ltd | Warburg | Newstment Blandgement | C554 2756. | J9-41 Broad Sr, St Neber, Jersey, Cl. | See | S **INSURANCE, OVERSEAS & MONEY FUNDS** Home Robe.
Home Treet
Legan Treet
Legan Servant Ses
Pacina Servant S Va. Hearry Schruder Wagg & Co Ltd

J. Hearry Schruder Wagg

And Schruder August S.

Delander August S.

Delander Va.

J. 445

Delander Va.

J. 445

J. 124

J. 124

J. 125

J. 125

J. 127

Currency & Do Fo Inc.

J. 137

J. 147

Currency & Do Fo Inc.

J. 147

Currency & D - Vanbruch Pension Limited 5555555 5555555 UK Grossty 94.6
Workstein Recovery 94.6
Workstein Recovery 94.4
Standard Perpetual Paula
Americas Growth 52.1
For Lax Growth 92.5
For Lax Growth 93.5
For Lax Growth 93.5 9.12 97.54 Meching devilence of the control of Windsor Life Assur Cn Ltd Royal Albert House, Street St, Windsor Investor Units 217.0 Arrape) Cando TEO Mario Butterfield Masagement Co Ltd 514 12 - 544 56 6 771 CAL (avestments (Inhi) Ltd
16 51 Segres Street, Douglet, IoM
CAL CAC - "Orders Mandy." Deckma day t/o Hoare Goveti Asia Ltd. Heron Hise, 319-325 High Holloon WCJ 01-404 0344 MAY MTESTS 4, 10R value DSS9.879. WestAvon Secs. (Sucrosey) Ltd Egrouph Rise, St Peter Port. Guerriey. **MANAGEMENT SERVICES** 40.00 5.00 Newport International Management 10.00 10.70 Each of Servada Bids, Servada 807 205 0000 10.11 10. 105.5 112.4 -1.2 -107.4 -1.3 -Mikko (ndl. Gag. Mngt. Go (Europe) Ltd ob PO Box 105, Surrasey, Cl. Jana Index Fast Mee Corraser Fast (2) 1238 1438 - 1438 ed Life Assurance Company | Depthy Clean Feath | \$9.33 | \$9.00 | \$-0.03 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 N. Jersey Pandy List SLA34 D4486.29 SF-63-62 FF-7164-04 OPL-40-94 Eackstr Y-3,000 SF-770-33 min List S15.08 SH-63-03 SF-770-37 FF-700-57 16F Management Services Inc. 0403 64141 Johnson Fry Pic.
Princes H., Jerman St., Luda SWIV 607 63-69 0784
-1.1 - 1 Fry Man Made Felt 122.1 128.2 40.3 -1.4 - 1 Fry Man Felt 13.5 4 73 -0.4 - 1 Fry Man Fe Horway Fund Management A/S 29 0154, 0slo 1, Tel. 618100, Norway y Gos Fd .\_\_\_\_\_\_\_Nr1103 115 9 +1.11 PFC Internati Partiolia Fd Mogt Ltd P0 Sex 30927, Hoog Korn 5-79 Cfilitanis (CI) LII "Cfilifunds"
Green Street, St Hefter
US 5 Fand Street, St Hefter
US 5 Fand Street, St. 2-41
Sets Fand St. 2 Opponheimer Money Management Ltd
66 Casens St. EG4M 6AE. 91.736
Casend 952 713 10.73
7-day Food 97.6 15
Dolla 555 Pacific Basin Fund 10a Eculerard Royal, Luce 1550 1570 1570 1482 1283 10 STO STANDARD STAND Life of Camasia (UK) Ltd.
4 Cockepter St, SW1V 58H
le Lauf Plans
1th Acason 715.0
le past Acason 403.9 21 New St. Bishoppane, EC2M 4HR 101-623 3000 Money Warket ave Fd July 15 \_\_\_\_ 1 26.706 Skandiford International Ltd. **Bank Accounts** 2540 0534 T451Y 2540 - 100 1972 - 0.10 1774 - 100 J. D. Ward & Co Ltd Other Energing us \_-octoor — Phoenix International 1 PO Bos 77, 51 Febr Pert, Guerre 1 Inter-Dotte Funt \_\_ 55-52 1 For East Funt \_\_ 55-52 Int. Correct, Funt \_\_ 52-88 Dotte Fix Int. Fund \_\_ 55-26 Botte Fix Int. Fund \_\_ 55-26 Botte Fix Int. Fund \_\_ 55-26 | Second | S OFFSHORE AND **OVERSEAS** Premium Life International Ltd. Actilionals Investment Fund SA 37 me Motre Dane, Linenburg Sam Life Unit Assurance Ltd St.James Barton, Bristol 8599 75L ion lovestment Trust Co Ltd Assig 1792-5 microst 1 post 1 Strategic Metals Corp pic Metal Funds
Strategic Metals Corp pic Metal Funds
Strategic Metals Corp pic Metal Funds
Strategic Metals Fell-1951 2054
Strategic Me 07-423 8000 +027 135 --- 027 --- 027 --- 037 Previdence Capitol International Ltd
PO Box 121, 52 Peter Pt. Guerney
CHR Ft. Nr. D04.9
CHR Ft. Nr. D15.9
CHR Ft. D15.9
CHR Ft. Nr. D15.9
CHR Ft. D15.9
CH Alexanders Rouse (Sermush) Ltd P08 1179, (tanting, Seconds, 509 295 2244 Seconds at Ltd PO Ban 44, Gasermen, 190 at 190 Ban 44, Gasermen, 190 Ban 45, Gase Beatscher lavestment-Trus Convently Year (C1)
TSR Trust Funds (C1)
26 His St, St Heiser, Jersey (C1)
TSR Line Fund Lin. Disc. 110 00
TSR Line Fund Line 110 00
TSR Putman International Advisers Ltd 10-12 Cark St. Landon WI Taiwan (ROC) Fund on Victors do Costa Ltd, King William St, London E C4 elss Life Pensions Lid Linyds Bank PLC 71 Lombard 54, London Highlight Course Account. IAV \$506. IDR value US513,403.97. Appetrs Fund Target Infermational Management Ltd 71, London 50, 30 coon 50, 52 coop. 50 co. 197, 51 co. 197, 52 co.

ORANGE JUICE 15,000 lb, cents/ib

LONDON

MARKETS

Exchange yesterday. The cash price rose £13.50 to £540 o tonne, in a largely technical reaction to what traders described as its recently over-

of it the previous evening. Gasoli futures continued their

lots. Cocoa futures continued

### Harare sells maize to S Africa

ZIMBABWE will shortly call for tenders for the export of 8 further 250,000 tonnes of

maze to South Arrica, according to the cersals industry in Harare, writes Tony Hawkins.

Earlier this yesr Zimhabwe sold 200,000 tonnes of maize to South Africa st a price of 265 rands a tonne (\$100), but the present contract under discussion is at a price of only 110 rands a tonne (\$42).

This would mean that Zimhshwe would be selling maize at sloss of around Z\$130 e tonne (\$60.01 \$72)

(ohout \$77). However, Zimbabwe will have o maize stockpile estimoted st

2.2m tonnes by the end of the

### year and io therefore anxious to dispose of some excess maize even at unattractive prices. EEC butter plan 'will fail in UK'

AN EEC scheme to offer 3-year-old intervention butter for use in animal feed is unlikely to find any takers in Britain,

according to the country's largest anims! feed compounder BOCM Silcock.

The EEC Commission's intention is that the old butter should be incorporated in yeal calf diets — but the bulk of stocks are situated in the UK where there is no significant market for veal feed.

As an alternative fst in dairy rations, BOCM belleves that the butter will not be able to compete with palm oil, which is currently svailable to feed manufocturers st sn all time low of under £150 per tonne.

### France orders drought relief

FRENCH Agricultural Minister Francols Guilloume announced limited relief measures for farmers hit by the severe two-month drought affecting southern and south-western parts of the country, reports

Te rellef would be primarily aimed at livestock farmers to ensure they receive sufficient supplies of straw for fodder.
"It is impossible to put precise figures on drought damage of the moment." ha said. This year the drought started in the same areas as last year, Mr Guillaume said, but added that

"four-fifths of France is now affected." There would be no special drought tax to fund relief ald during the severe drought of 1976, he said.

### Brazil holds on to sugar shipments

BRAZIL has reprogrammed 500,000 tonnes of sugar due for shipment from the 1986-87 June/May crop to the 1987-88 crop, Mr Ribeiro Toledo Filho, president of the Sugar and Alcohol Institute said.

The effect of drought on this year's cane harvest, particularly in the otate of Sao Paulo, meant planned output of sugar and alcohol would not he ochieved,

### Platinum prices soar as fears of sanctions grow

BY STEFAN WAGSTYL

PLATINUM prices soured yesterday to their highest levels since the inflation-boosted boom in the metal markets in 1980-1981.

After rising steadily earlier in the week, prices leapt ahead yesterday in London and in New York as investors continued to buy metal in the hope that concern shout political unrest in Sooth Africa would raise prices still higher. One London trader said: "It looks like an ever-rising spiral of specula-

In London the metal closed at \$488 an ounce, up \$11 on the day and \$3.75 since the beginning of the month Prices continued to rise in New York, with metal for immediate deli-very trading late on the New York Mercantile Exchange st \$494.6 an ounce—\$15.9 higher on the dsy—and October pla-tinum hitting \$499 an ounce before falling hack to close at

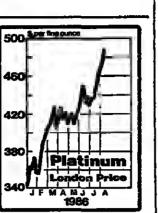
\$498.1.
Metal for delivery in January and 1ster next year traded shove the \$500 an ounce level. Mr Bill O'Neill, of Elders Finance in New York, said spe-culators may be exaggerating the risk of possible interruption of supplies of plstinum from South Africa, which produces

CHINA'S gold sales to Hong Kong rose sharply in the first five months of 1986 and dealers said the rise was partly to offact a foreign exchange shortfall.

Chinese sales rose to 10.03m grammes worth HK\$851m between January and May, from 20.195g worth \$1.5m a year earlier, according to census and statistics department figures.

Hong Kong's re-exports of gold from all suppliers, including China, rose to 6.05m g during the first five months of 1986 from 1.28m s year earlier, secording to the metal. But there were fears driving the market. "I think

the market has got some way to go. It's looking over \$500." Traders said that this week'o price increase hao largely been prompted by the increasing like-



that South Africa would be reluctsnt to impose export restrictions on o metal which last year earned \$675m on the current account.

Traders said that this week'o price increase hao largely been prompted by the increasing likelihood that more economic sanctions of some kind will be imposed on South Africa following the Commonwealth minisummit in London. Investors were particularly concerned about any hint of South African posed this week on imports crossing the country bound for Zsrubia and Zimbabwe.

For the moment the market seems to be ignoring the fact some 80 per cent of the west's seems to be ignoring the fact was up 10p at 615p.

The new prices translate to

A\$53.30 a tonne at current ex-change rates, a rise of A\$4.54 or 9.3 per cent on previous con-

### Japan clinches steam coal deal with Australia

utility that could produce about A\$5 (£2.06) s tonne extra for their coal. They struck a deal almost exclusively, are expected on Tuesday with the Chugoku private power company to supply coal of US\$31.98 (£21.61) a tonne, compared with the price of A\$48.76 (£20.11) prevailing for deliveries up to March 31 this year. Deliveries already made will have contract prices backdated.

The Chugoku ntility is the first of nine private utilities in collery.

Jopan's cement producers, or 9.3 per cent on previous contract prices, but are otill a bargain for the Japanese buyers.

The price is still lower than contract prices signed with South African coal producers, Australia's looming competitors in South-east Asia.

Mr Bill Miles Oakhridge managing director said: "Thot's a good price for the Japanese and when you convert it into price for us."

first of nine private utilities in colliery.

AUSTRALIAN steam coal produce a price Japan to settle prices for this ducers have announced a price Japan to settle prices for this ducers have announced a price Japan to settle prices for this ducers have announced a price Japan to settle prices for this ducers have announced a price Japan to settle prices for this ducers have announced a price Japan to settle prices for this ducers have announced a price Japan to settle prices for this ducers have announced a price Japan to settle prices for this ducers have announced a price Japan to settle prices for this ducers have announced a price Japan to settle prices for this ducers have announced a price Japan to settle prices for this ducers have announced a price Japan to settle prices for this ducers have announced a price Japan to settle prices for this ducers have announced a price Japanese fiscal year, which began on April 1. Jopan's cement producers, which use Australian coal almost exclusively, are expected

or 3.5 per tent on previous con-tract prices, but are otill a bar-gain for the Japanese buyers.

The price is still lower than contract prices signed with South African coal producers, Australia's looming competitors

### Buyers shell out more for peanuts

\$1,350 and \$1,400 per tonne (cif Rotterdam) for nuts which would have cost less than \$800 as recently as April.

drought which has afflicted the sonth-eastern US-including the key peanut growing states of Georgia, Alabams and, to a lesser extent, Florida—for the lesser extent, Florida—for the last few months and seriously impeded peanut planting.

sors are reported to have been putting pressure on the government to allow them to import

crop-which normally takes expected shortfall.

PEANUT PRICES are surging care of around half of total amid expectations that this year's all-important US crop will he hit by drought.

In recent weeks, traders have been forced to shell out hetween \$1.250 and \$1.400 per tonne (cif said one. said one.

insufficient to keep prices down, little imagination is needed to The reason for the rise is the figure ont what this year's prospects will do to the prices," commented Rotterdam-based groundant trader Alfred Toepfer.

Significantly, US nut proces-Tradera forecast that the US peannts to make up for an

aid one.

"If the 1985 surplus was years on. In the first place, she sald, this year's shortfall was not likely to be as serious as in 1980, when the US crop was only 1.1m sbort tons.

Secondly China, a very large peanut producer which, only exports relatively small tonnages in normal years, moved in to fill the gap at that time, and is likely to do so again. Thirdly, Argentina has expanded its own production in the interim.

### Spanish shortfall boosts Britain's cereals market

A MONTH ago, UK cereal prices seemed set to Isnguisb under the hurden of high carryover stocks and the delayed opening the season's contraction in EC-12 in Madrid said the figure is more likely to he in the region stocks and the delayed opening of intervention otores where tough entry standards had been Mediterranean coasts of France set for grain seeking support.

prospects for UK exports had rarely seemed dimmer. Cut-price US competition was having considerable effect on prices on world markets. This encouraged customers to wait for better hargains while the rest of Europe still seemed set for recovery in production after last year's crop disasters. This week, bowever, there are hroad omiles on the faces of

those who went long on this "huyer's market." UK wheat and barley has been trading at £8 to £9 premiums on prices ruling at end-June, and depending on the oize of the British and Continental crops, prices could still rise further above levels ruling this time last year. could still rise further above levels ruling this time last year.

To some extent, this is an artificial development. Wheat and harley prices remain under around 100 Ecus per tonne,

EEC's own grain market is pro-tected by the barrier of its \$30.82. British barley exporters voriable import levies. Any dis-ruption to supply in the internal ars now believed to have filled way which bears no relation to tonnes of harley Spain is happenings in the rest of the already estimated to have

Whot initially turned the market on its head was the Spanish crop has undountedly revelation that Spain'o crops taken many by surprise, During had been hit much harder by drought than anybody feared. making period from mid-May Far from exporting grain (2m onward, on-the-spot observers Far from exporting grain (2m tonnes was sold on the world market last year), Spain now aeems likely to need at least 2m tonnes of barley and 1m tonnes of wheat imports.

and Italy but across northern To make matters worse, at the close of a season of dismal off- and West Germany are now take by Third World countries, COMBINED CEREALS

PRODUCTION of 12 EEC members

...... (estimated) 153.7
Source: International Wheat
Council and trada estimates

British crops are faring better than those on the Continent at a currently forecast range of 23m to 25.5m tonnes compared with last year'o 22.5m. Carrying the lion's share of intervention stocks and with the advantage of the recent dip in the value of sterling, British

heavy pressure in many sectors harley and feed wheat can be of the world market as a result offered around \$77-78 per tonne, of the competition hetween the US and other exporters. But the at \$86 and wheat of \$90. Even market cen distort prices in a around threequarters of the im

> booked. The extent of the fall in the taken many by surprise. During the crucial 30-days "cropreckon crop potential fell at the staggering rate of 100,000

of 6.1m, although estimates down to 5.7m bave been reported compared with 10.7m last year. Wheat is faring little better

as estimales slide towards 4m to 4.2m tonnes from last year's 5.3m and the 6.1m barvested in 1984. Toe reaction to the deficit was beightened by the fact that several interestional shippers had put forward husiness on their books only to find they

could not cover in from country mercbants. This was possibly a side-effect of the EEC's co-responsihility levy, which confused the entire market as to bow much entire market as to bow much new crop grain was worth and which parties actually paid the levy. "At one time," said one ahipper gloomily, "if you sold 20,000 tonnes it took six weeks to cover it in." The situation was also exacerbated by a jump in cereal substitute prices

in cereal substitute prices following the recent upturn in the dollar, while the harvest itself has been running late. Where prices go next depends hesvily on quality. The interest in UK grains is largely based on price and expected abundancy. Like Britain's other hig export markets, Algeria and Poland. Spain is likely to have hought UK grain on an optional origin basis including a \$3 to all discounts if the male is feet.

quality. Shippers do not rule out larger discounts being de-manded if the world market contituues its recent collapse, hut if the UK crop comes in with high quality—say et lesst 30 per cent of it with bushel weights of more than 76 kg— then the market could look tonnes a day.

While the Spanish press has been carrying forecasts of a levels.

\$4 discount if the grain is feed

Spain's crop problems have hed a knock-on effect along the southern European markets. which expected to fill Spain's feedgrain deficits by shipping maize across the border—is now in deep trouble with its own drought-hit maize crop. Grain available for Spain will be tighter and dearer, again leaving the latter market wide open for cheap British grein.

Italy, too, has maize and barley crop problems which might have prompted it to turn to French oupplies, while Greece, another large maize producer, is watching the inexorable tightening of supply with growing caution on new crop sales. Although some traders feel

UK grains may now have "topped ont " ahead of the harvest hulge in supply, news that drought was clipping back north European crops bas helped keep prices firm. West Germany, traditionally one of the UK's largest customers for grains and Denmark too, will probably have smaller wheat and barley crops which will suck in British snpplies. France, historically Britain's chief EEC wheat competitor, bas seen its wheat crop estimates slashed from 29.3m to 27.5m tonnes compared with 33m in 1984. If drought con-tinues in southern France, that could fall further.

Some traders, however, are nneasy about the strong export market against a backdrop of international price cutting in the wake of the US's export enhancement programme. This week UK hasis fob prices for large vessels have been quoted up to £109 and £110 s tonne for barley and wheat respectively. With the US offering wheat to Moscow at as little sa \$91 to \$92. the cost of bringing EEC grain down to world levels is now almost as high as the import value of the grain itsolf.

## ZINC price o bucked a generally dull and declining trend on the London Metal

REUTERS (6see: September 16 1931 = 100) DOW JONES

MAIN PRICE CHANGES

scribed as its recently oversold condition, aided by aterling weakneso against the
dollar. On the London Commodity Exchange, sngar
futures rose just over \$1 a
tonne in response to higher
New York levels and to news
that Brazil plans to defer
500,000 tonnes of its sugar
earmarked for shipment
during 1986-87 into the following crop year. Dealers
said market reaction to the
Brazilian news was muted hy
the fact that there was talk
of it the previous evening. METALS Aumielum... Free Market recent turbulent trading conditions, closing np \$5.50 a tonne on the day at \$130.75 a tonne after trading 6.101

to gain, although they closed below the highs, while robusta coffee futures closed firm on technical considerations.

LME prices supplied by Amalgamated Metal Trading. ALUMINIUM

|Unofficial + or |close |p.m.| — | £ per toneo High/low Official closing (am): Cenh 758.5-7.5 (751-2), three months 770-0.5 (764.5-5), settlement 757.5 (752). Fleat Karb close: 771.5-2. Turnever 14,000 toness.

COPPER Orade A Uneffic'i - High/low

Official closing (sm): Cash 853-4 (854-5), three months 876-8.5 (678-7), settlement 854 (855). U5 Producer prices 62-86 cants per

Tetal surnoyer; 20,400 tonnes.

Unofficial + of close(p.m.) — £ per tonne High/low months 558-8.5 +0.5 | \$08.5/258 Official closing (am): Csein 256-6.25-(225-5.5), thrae mombs 258-8.6 (257-7.5), sextlement 256.25 (255.6). Final Kerb close; 257.5-8. Turnover; 7,100 tonnes. US Spot; 21-24 cents per pound.

NICKEL

Unofficial + er close(p.m.) — High/low £ per tenne. Official closing (am): Cash 2590-800 (2625-30), three months 2590-5 (2635-40), settlement 2500 (2630). Final Kerb close: 2600-05. Turnover 3.036 tonnes.

KUALA LUMPUR TIN MARKET: Close 14.15 (14.15) ringgit per ko. Unchanged riaggit per kg.

ZINC nofficial + or lose(p.m.) -£ per tonne

539-41 + 13.S 543-4 + 12.75 544/536.6 Official closing (am): Cash 538-8 (526-7), three months 540.6-1 (530.5-1), settlement 539 (527), Finel Kerb close: 540.1 mover: 12,675 tonnee. US Prime em: 41.5-44.75 cents per pound.

Gold rose \$1½ to \$3622,3624, on the bighest closing level aince July \$ 1984. The merket reacted to the strength of olutioum, and concern that South African retailstice to the threat of economic senctione may cause disruption in supplies. Gold opened at \$361-361½ and was fixed at \$360.85 in the morning ead \$361.90 in the atternooa. It touched a cask of \$3633,363½ and o low of \$360,500%. GOLD BULLION (fine ounce) August 7

Ciose ...... S000'4-SS2<sup>5</sup>4 (2245'4-246) Opening... S351-301's (£244'4-844'54) M's'g ffc... S360.S6 (£244',151') AR''n'n fix 0361.80 (£244',707) GOLD AND PLATINUM COINS Krg'rind... \$35014.35212 (£24414.24512)
12 Krus.... \$18014.192
14 Krus.... \$57-88
1/19 Krus... \$57-89
1/19 Krus... \$391.4014
1/19 Krus... \$370-570
1/10 Angel \$370-570
1/10 Angel \$3712.4012
1/10 Angel \$370-570
1/10 Angel \$370-570
1/10 Angel \$370-570
1/10 Exercise \$430-480
1/10 Ex

Silver was fixed 1.08p os ownes higher for spot delivery on the London bullion market yesterday at 350.50e. US cant acquirelents of the Sking levele were: eeot 517c, dows 1.25c; three-mosth 524.65c, dows 1.60c; and 12-mosth 532.45c, dows 1.60c. The metal opened at 3497-361e (516-518c) and closed at 3497-361e (516-518c).

LME—Turnover: 14 (14) lets of 10,000 SUGAR Three months 358p, finel kerb 358-Sp.

Cettle prices closed on a weeker nete due to Irash producer selliag, meorts Eastern Capital CCST.
Cottle selec: 5 (0) lots of 5,000 kg.
Pige selec: 0 (0) lots of 3,250 kg. LIVE CATTLE LIVE PIGS Yiday's + or Yiday's + or close -

- \$2.00 - 97.50 -0.60 - 06,00 - 107.80 -- \$5.00 - 107.80 -- 98.60 - 100.00 -1.00 - 98.60 - 100.00 +2.00 MEAY COMMISSION—Avernge fel-stock prices at representative markets. GB—Cattle 95.55p per kg lw (-1.14). GB—Shasp 156.35p per kg est dew (+1.03). GB—Fisa 80.21p per kg lw

### US MARKETS INDICES

Aus 7 Aug f M'th ego Year ago 1466.5 1454.3 1420.0 1714.4 Jones S O ago age

In jonnes unless otherwise stated.

OTHERS

Cocca Ft. Dec. |21458 | +S.S |21558.5 |
Coffee Ft. Nov. | \$1755.S | +37 | 21076.0 |
Cotton A Ind. | \$5.55 | +0.1 | 58.850 |
Gas Oil Sept. | \$130.7S | +0.5 | \$97 |
Rubber Ikilo) | \$0.59 | | 570 |
Sugar (raw) | \$135 | | 135.5 |
Wooltops 64s | \$356 | kilo | | 135.5 |

‡ Unquoted, † Per 75 lb fissk. c Cents per gound. w Aug-Sect. x Oct. v Sept. • Cotton Outlook. COCOA

Volume of trade was extremely light end futures were held within a E14 range to close near the highs. Physicals reflected the almost total lack of laterest sad no producer or consumer activity was noted, reports Gill and Outlus.

1418-1410 +0.6 1418-1402 1457-1459 +5.5 1486-1465 1496-1490 +10.0 1518-1482 1510-1514 +7.0 1518-1682 1530-1535 +0.5 1532-152 1548-1549 +10.0 1578-1589 1573-1874 +8.0 1578-1680 Sales: 2,505 (2,454) lots of 10 toansa. ICCO indicator prices — (US cants per pound). Oally price for August 7: 92.36 (92.11); five-day average for August 8: 92.29 (92.50).

COFFEE

..... 1741 1742 + 38.6) 1746-1884 ..... 1760-1767 + 37.0 1788-1715 ..... 1775-1779 + 50.5 1786-1740

tennes. ICO Indicator prices (US cents per lound) for August 6: Comp delly 1979 137.95 (134.62): 15-day average 150.08

High/low SOYABEAN MEAL

6sies: 12 (25) lots of 20 tonnes.

Wheat eased on trade speculation about interveation raises, but lack of confirmation raised prices. Barley lound aggressive short-covering in the appropriation to close standy progress. apot position to close steady. T. O. Roddick. WHEAT

Sept... 100.05 Nov... 100.90 Jan... 108.75 Mar... 111.20 May... 113.65

107.60-7.10, wer ustractors, may 111.50-1.30. Osles: 228 forts of 100 toanes.

LONDON GRAINS—Wheat: US Osrk Northam Sgriag No. 1, 15 per ceat Aug 95.00, Sept 95.50, Oct 98.25. US No. 2 Sort Red Wister: Aug 91.25, Sapt 92.50, Oct 94.75. EEC: Aug 125.00. Eaglish feed, fob: Sept 105.60-108.90 buyar/seller, Oct 108.00 buyer, Oct/0ss 110.00-115.50 buyar/seller, Jan-March 115.00 asilar, Aeril/June 117.50-118.60 buyar/seller, Meize: US No. 3 Yallow/Franch transhipment East Coast Aug 148.00, Barley: English feed, fob: Sept 103.50 eald Scottish, Oapi 103.25-104.25 buyar/anilar, Oct 107.00 seller, Oct/Osc 110.50-111.00 buyar/seller, Jan-March 114.00, April/June 117.50 seller, Oct/Osc 110.50-111.00 buyar/seller, Set 93.10, S Watt 99.90, W Mids 99.60, N West 99.50, W Mids 99.60, N West 99.50, The UK monetary coefficient for the week beginning Monday August 11 la expected to change to 1.177.

PARIS—(FFr per toane): Oct 1327/ 1329, Dec 1325/1327, Mer 1395/1357, May 1390/1400, Aug 1425/1435, Oct 1455/1480, LONDON DAILY PRICE—Raw auger \$155.00 (£105.00), down \$1.00 (unchaaged) a tonae for August-Sept-ember dolivery. White sugar \$195.00, down \$1.50.

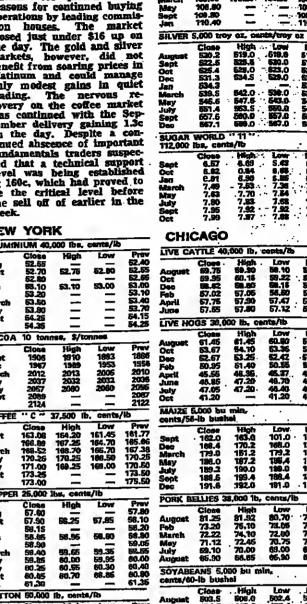
Oct .... 152.4-152.6 148.8-180.0 152.8-149.0 162.4-152.0 185.0-152.0 157.5 Max ... 157.9-167.6 165.0-165.8 162.2-165.8 May ... 170.8-171.0 169.2-163.6 ... 174.8-175.0 172.0-174.6 175.0-174.6 176.8-180.0 175.0-177.6 ... 5

toness.
Tate 8. Lyle delivery price for granulated besie suger was £208.50 (same) s tonne for esport.

CONTINUED STRONG buy-

continued strong buying interest on the New York
platinum futures market
pushed the leading October
delivery to new contract
highs, although the market
falled by 10c to break the
important psychological resistance point at \$500 per
ounce, reports Heinold. Firm
chart signals coupled with a
lingering concern over the
future of supplies from Sonth
Africa were quoted as the Africa were quoted as the reasons for continued buying

reasons for continued buying operations by leading commission houses. The market closed just under \$16 up on the day. The gold and silver markets, however, did not benefit from soaring prices in platinum and could manage only modest gains in quiet trading. The nervous recovery on the coffee market was continued with the September delivery gaining 1.3c on the day. Despite a continued abscence of important fundamentals traders suspected that a technical support ted that a technical support level was being established at 160c, which had proved to be the critical level before the sell off of earlier in the NEW YORK ALUMINIUM 40,000 lbs, cents/lb



Close Migh 14.88 15.18 14.89 15.25 15.13 15.40 15.66 15.88 16.72 16.70 18.15 16.45 16.37 16.45 16.37 16.35 18.51 17.00 WHEAT 5,000 bu min. Sept Dec March May July

##9.0 905.0 507.5 610.0 510.5 SPOT PRICES—Chicago toose land 15.50 (same) cents per pound. Handy end Herman eliver bullion 519.5 (520.5)

International Augar Agreement — (US cents per pound fob ead stowed Caribbean ports). Prices for August 6: 0eily price 6:19 (6:12): 15.dey average 5.87 (5:78). FREIGHT FUTURES Both markets were quiet, reports

PLATINUM 50 troy oz. \$/tray oz

Aug Jan April July Oct

CRUDE OIL (LIGHT) 42,000 US gallone, 5/barrel

GOLD 100 troy oz, 5/troy oz

| Close | High/Low | Prev. Oct. 562/663 Jan. 690/692 April 735/738 July 680/700 Oct. 770/600 Jan. 750/825 Apr. July 825 BFI. \$55.0 662/663 665/660 690/692 691/688 735/738 735 650/700 735 750/680 785 900 850 825 75 565.0 75 Turnover: 78 (187).

Tankers Aug. 1000/1050, 1010 Sep. 1000/1050 1010 Cet. 1080/1080 1055 Dec. 100 1080 Mar. 1100 — June 1070/1150/1110/1950

The market ogen tested the £215 misatence area, beels April, and agein feiled to panetrate it os the Otth recent attempt. Ouepite a Outch market trading Fi 4 higher, UK sellers emarged to contain the riss, so quahlay the arbitrops out to beyond £28.00 at one stage. After the initial activity trade quistomed and oaca Holland had closed London, left to its own davices, lest over £3.00 to close ness the day'e lows, reports Colay and Harper.

\$\frac{\partial}{\partial}\$ \text{per tonno} \\
\text{Nov} \quad \text{150,70} \quad \text{155,60} \\
\text{Feb} \quad \text{140,50} \\
\text{Peb} \quad \text{140,50} \\
\text{Apr} \quad \text{215,40} \\
\text{May} \quad \text{225,80} \\
\text{223,00} \\
\text{225,80} \quad \text{223,00} \\
\text{225,80} \quad \text{225,80} \\
\text{225,80} \quad \text{225,80} \quad \text{225,80} \\
\text{225,80} \quad Sales: 1,193 (1,038) lots of 40 tonnes.

RUBBER

**POTATOES** 

PHYSICALS — The London market openad vachargad, eaw little movement and closed neglected, raports Lewie end Peat. Closing prices (buyare): Spot 58.50p (same). Oct 59.00p (same). Sept 59.00p (same). The Kusla Lumpur tob price (Malaysian centa per kilo): RSS No 1 220.0 (sema) and 8MR 20 186.5 (187.0). PUTURES—Index 593. Sapt 597.692. PUTURES—Index 593. Sapt 597.692. April/June 597-606, July/Sept 599-611. Seles; 5.

Refiners were reluctant to buy crude oil in the present uncertain conditions and trading was coafined to speculative dealing. In forward Breat and Oubsi. Prices were firm during the mornies reaching around \$14.50 for frant end \$12.50 for Oubsi. The volume of trade end prices subsided during the efforment. Nymex WII opened 14c up for September and was 33c up at 1.30 pm EDT after morning trade to a 60c mage. The petroleum products markets remeined uncertain with little traded for prompt delivery. Demand for ostoline was etill strong, especially for blohar grades. — Petroleum Argus, Loadon.

CRUOE OIL FOR (8 per barrel) PRODUCTS—North West Europe Prompt delivery cif (\$ per tonne) Premium gasolico ... 170-175 |+0 Gas Cil ... 120-124 |+1.0 Heavy fuel ell ... | 65-57 |+5.5 Naphtha ... 113-117 |+4.5

GAS OIL FUTURES

us a ...... 135.00 +1.06 185.00

Exchange

Mr Jack Lehman, chairman of tha Futures Industry Associa-tion, said exchanges need to work together by creating common products and common clearing of transactions in order

stronger domestic and interna-tional competition from other

SCURRENCY IN

Turnovair: 6,101 (5,228) lots of co-operation

for the industry to effectively compete in today's global mar-ketplace.
Mr Lehman, addressing tha Chicago FIA division, said while the US futures industry had a great opportunity to expand husinass, it also faced ever

Sv. Allings &

State of the state

MICAGO

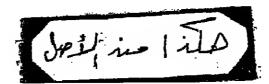
120

er to a few order of the Little

....

11.

AS THE FUTE



### CURRENCIES, MONEY and CAPITAL MARKETS

### FOREIGN EXCHANGES

### Dollar and pound at new lows

THE DOLLAR moved steadily lower on persistent, but not very heavy seiling, on the foreign exchanges yesterday. There were £ IN NEW YORK heavy seiling, on the foreign exchanges pesterday. There were no new factors, but the market had clearly turned its attention away from the implication of high oil prices, if this week's agreement by membars of the Organisation of Pretroleum Exporting Countries achieves its aim. Wednesday's remarks by Mr Beryl Sprinkel, chairman of President Reagan's council of economic advisers, about a further weakening of the dollar, continued to weigh on the currency, as the market focused egain on the problem of the US trade deficit. The failure in transcriptions of the protectionist bill on textile and shoe imports to the US, helped set a weak tone for the dollar and there was no sign that Japanese demand at the US Treasury's quarterly refunding auctions had been high anough to lend much support to the currency. Spot 01.4740-1.4790 \$1,4819-1.4825 1 month 0.48-0.44 prg-0.46-0.45 pm 3 months 1.80-1.17 prg1.38-1.85 pm 12 months 4.30-4.90 prg-4.80-4.40 pm STERLING — Trading range against the dollar in 1986 is 1,5555 to 1,3779. July average 1,5089. Exchange rate index fell 0.4 to 79.9, compared with 74.4 six months ago. six months age.

Sterling was generally weak yesterday, as the recovery based on this week's Opec agreement proved shortlived. The pound opened weak, but found some stability by mid-morning on rumours of oil production cut-backs by Kuwait and a return to fined prices by Saudi Arabia.

This pushed up North Sea crude prices by about \$1 to \$14.50 for September delivery, but as prices fell back again sterling lost ground, to finish at a record closing low of DM 3.08.76 compared with DM 3.08. The pound also fell to FFr 9.9075 from FFr 10.01; to SFr 2.46 from SFr 2.48; and to Y227 from Y288.25. Stering lost 30 points to the depressed dollar, closing at \$1.4760-1.4770.

BMARK — Trading range against the deliar in 1986 is to lend much support to the currency.

The dollar fell to DM 2.0870 from DM 2.0815, the lowest level since March 20, 1981; to SFr 1.8860 from SFr 1.6770; the weakest since October 23, 1980; to FFr 6.71 from FFr 6.7650; the lowest since January 17, 1983; and finished equal to the record low of Y153.75 from Y154.85.

On Bank of England figures the dollar's index fell to 110.7 from 110.0, the lowest since January 29, 1982.

POUND SPOT-FORWARD AGAINST POUND

p.e. months

6.62 1.30-1.25 pm

1.90 0.89-0.54 pm

4.36 37-33 pm

2.78 45-37 pm

1.26 27-22 pm

-0.82 0.05-0.20dis

5.85 47-37 pm

-6.27 121-654 dis

-4.90 152-216 dis

-0.86 5-8 dis

-4.27 122-123 dis

2.88 87-25 pm

4.93 252-23 pm

4.93 253-23 pm Belgian rate is for convertible france. Financial franc 63.75-63.85, Six-month forward dollar 2.50-2.45c pm. 12-month 4.55-4.45 pm. Correction for August 6 French Franc close 10.06-10.07.

DOLLAR SPOT-FORWARD AGAINST DOLLAR

# Aug 7 spread Close Oce manth p.s. aconties p.s. treated 1.3726-1.3626 1.4760-1.4770 0.60-0.730 pm 1.4715-2.4726 1.4760-1.4770 0.60-0.730 pm 1.4715-2.4726 1.3458-1.3465 0.60-0.730 pm 1.313 1.350-9.9 pm 1.835 pm 1.87 pm

† UK and treland are quoted in US currency. Forward premiums and discounts apply to the US dollar and not to the Individual currency. Belgian rate is for convertible frace. Financial franc 43.15-43.25.

### EXCHANGE GROSS RATES

Aug. 7	£	₩.	DM .	YEN	F Fr.	a Fr.	HFL	Litte	0 .	B Fr.
2 3	0.677	1.477	2.067	227.0 103.8	0.908 6.710		8.440 2.330		8,030 1,381	63.10 40.70
YEN	0.828 4.405	0,484 6.604			3.945 43.65	0,806 10,84	1.127 10.15		0.668 6,082	
F Fr. 0 Fr.	1,000 0,407	0.600		229.1		2,485 1,	3.478 1,398		8,058 0.629	
H FI.	0,291 0.478	0.429 0.703	0,887					510.2 1000.		
O# BFr.	0,490 1,685	0.724		111.6 359.7	4,859		1,687 0,458		3,281	30,9 100

### **EURO-CURRENCY INTEREST RATES**

August 7	term	7 Days notice	Month	Months	Months	Year
Bterling U.S. Dollar Con Dollar D Oulkder Sw. Franc Deutschmric Fr. Franc Italian Lira	10 10 14 614-656 766-614 666-672 912-3 4-3-414 7-716 11-19	078-10-6 03a-63g 8-814 01g-634 91g-83g 4-3-416 7-714 105g-115g	911-10-1 53a-53a 51a-53a 0-1-514 412-45a 4-1-414 7-712 103a-111a	913-10% 646-648 646-658 646-64 446-416 7-712 1034-114	913-10 644-614 813-613- 015-613- 413-413- 2-714 1078-1114	978-10 01g-688 678-01g 656-51g 4,2 41g 7,71g 11-111g
8.Fr.(Fin) 8.Fr.(Con) Yen 0. Krone Asian \$ (Sng)	07g-71g 654-714 454-47g 9-01g 61g-61g	7-714 654-714 413-478 9-914 656-619	7-714 7-716 454-418 936-076 636-619	71 <sub>3</sub> -73 <sub>5</sub> 2-71 <sub>2</sub> 43 <sub>4</sub> -4 <sub>1</sub> 3 01 <sub>2</sub> -10 54 <sub>8</sub> -51 <sub>2</sub>	719-789 7-712 4:1-434 012-10 688-612	71g-75g 7-71g 411-45g 05g-101g 01g-65g

Long-term Eurodollars: two years 7-74 per cent; three years 7-7-74 per nt; four years 74-8 per cent; Sve years 8-84 per cent nominal. Short-term as are call for US Dollars and Japanese Yen; athers, two days' notice.

### FINANCIAL FUTURES

### **US** bonds nervous

US TREASURY bonds and long note sale was not o resounding 2.4719 to 2.8670. July average 2.1521. Exchange rate index 139.0 against 132.1 six months term gilts remained weak on the London International Financial term gitts remained weak on the London International Financial Futures Exchange yesterdaySeptember Treasury bonds opened lower at 95-30, and this the highest eccepted yield of 7.48 per cent and Japanose almost the day's peak, as dealers took a dim viow of the US Treasury's outcions held so far this woek. Tuesday's three-year the 10-year paper was also strong in Frankfurt yesterday, gaining ground against g generally depressed dollar. Sterling was also week. The recent stream of comments by US officials about the inevitability of officials about the inevitability of a continuing decline in the dollar, weighed heavily on the US currency. The Bundesbank did not intervene at the Frankfurt fixing, when the dollar fell to DM 2.0677 from DM 2.0828, the lowest level since March 19. 1881. There was also no sign of the central bank on the open market.

success, and Wednesday's suction

regarded as disappointing, and combloed with the lack of Japanese buying seen so far, was not regarded as 8 good build up to last night's important auction of Sebn in 30-year bonds. auction of \$9bn in 30-year bonds.

Many traders seemed happy to
to stay on the sidelines until
the suction was out of the way.

Long term gilt futures also
weakened, as sterling's recovery
on the Opec oil agreement
proved shortlived, and the pound
retreated on the foreign exchanges. The Sectember contract
opened at 119.35 and touched a opened at 119.25 and touched a low of 119-15, before closing at 119-24, compared with 120-06 on

THREE-MONTH EURODOLLAR (IAMA) Stm points at 100%

**CURRENCY FUTURES** 

POUND-\$ (FOREIGN EXCHANGE)

LIFFE-STERLING £25,000 \$ per £

IMM-STERLING Sa per E

6 pot 1-mth, 3-mth, 6-mth, 12-mth, 1.4765 1.4721 1.4638 1.4518 1.4310

| Latest High | Low Prev | 1,4725 | 1,4746 | 1,4865 | 1,4720 | 1,4810 | 1,4820 | 1,4950 | 1,4950 | 1,4400 | 1,4400 | 1,4435 | 1,4330 | 1,4235 | 1,4330 |

LIFFE E/S OPTIONS E25,000 (cents per £1) LONDON SE E/S OPTIONS £12,600 (cents per £1) 

Cione High Low Prev Sept 95-30 95-31 95-13 96-10 Dec 96-07 95-03 94-39 95-16 Ext. Volume 6.388 (3.967) Previous day's open int. 7,883 (7,940)

Latest High 94.39 94.41 94.44 94.45 94.38 94.40 94.23 94.23 93.99 94.00 93.76 93.77 93.54 93.55

**CHICAGO** 

Strike Calis—Lest Puts—Last price Aug Sept Oct Dec 1.90 — 17.54 — 17.54 — 0.00 — 0.40 1.26 12.54 12.54 12.54 12.55 0.00 0.05 0.29 1.06 1.40 7.54 7.54 7.67 0.10 0.01 8.42 1.02 2.30 1.45 2.88 3.68 4.30 6.13 0.45 1.68 2.55 4.33 1.50 0.43 1.37 2.05 2.99 3.02 4.37 5.40 7.19 1.55 0.01 0.37 0.82 1.60 7.60 3.37 8.17 10.80 1.60 0.00 0.07 0.27 0.78 12.59 13.07 13.62 14.96 Estimated volume total, Calis 405, Puts 285 Previous day's epen int, Calis 3,734, Puts 5,008

but it fell back to close at Y153.75, compared with Y154.20 on Wednesday. **CURRENCY MOVEMENTS** 

LONDON

Close High Low Prov Sept 100-51 100-84 100-88 100-58 Dec 100-51 — 100-58 Morch 100-51 — 100-58 Est. Volume 784 (186) Previoust day's epen Int. 1,040 (1,035)

Close High Low Prev 90.17 00.20 80.15 80.23 80.44 00.50 80.42 80.51 90.42 90.48 80.42 80.51 80.32 90.38 90.33 90.38 00.20 90.28 90.21 90.26

Close High Low Prev
90.17 90.20 80.15 80.23
Duc 90.44 00.50 80.42 90.51
March 90.42 90.48 90.42 90.51
Juns 80.32 90.38 90.33 90.38
Sopt 00.20 90.28 90.21 90.26
Est, Volume 2,679 (2,216)
Pravious day's open int. 14,256 (14,515)

Ciose High Low Prev Sept 155.40 166.70 154.30 168.55 Dec 158.25 157.50 157.20 159.40 March 160.76 — 161.50 Est Volume 665 (436) Previous day's open int. 2,565 (2,577)

THREE-MONTH EURODOLLAR Sim points of 100%

THREE-MONTH STERLING £500,000 points of 100%

High Low Prev 100-64 100-48 100-58 — 100-58

70.9 110.7 77.7 130.5 95.2 \$\$.4 188.0 107.9 188.9 60.8 47.4 818.8 E50.000 32nds of 100%.

Close High Low Prev
Sept 119-24 119-30 119-15 120-05
Dec 119-20 119-22 119-20 120-01
March 119-13 — 119-27
June 119-13 — 119-27
Est, Velume 6,721 (6,545)
Provious day's open int. 12,733 (13,054)
Basis quote (class cash price of 13%.
Treasury 2004/08 less equivalent price of near futures contract) —4 to 4 (32nds). Gulider... French Franc... Lire... Yos Morgan Guaranty changes: everygr 1980-1982=100, Eank of England Index

The D-mark remained very

JAPANESE YEN — Trading range against the dellar is 1986 is 202.70 to 153.75. July average 158.61. Exchange rate index 218.8 against 185.3 six months

The yen rose against the dollar in Tokyo as the impact of the Opec oil agreement earlier this week faded. Fears of heavy intervention by the Bank of Japan checked the dollar sfall, but buying of the US currency by the central benk was on a small

the central bank was on a small scale. Earl ydemand pushed the

dollar np to o high of Y154.40,

**CURRENCY RATES** 

OTHER CURRENCIES 

Sept 92.93 92.93 92.93 02.97 Est. Velume 3.915 (2.960) Provious day's open int. 19,897 (18,504) STERLING INDEX Ang 7 Previous 8.30 am ..... 71.0 9.00 am ..... 71.0 71.5 10.00 am ..... 70.9 11.00 am ..... 71.0 Noon ..... 70.9 71.5 1.00 pm ..... 70.8 **71.5** 2.00 pm ..... 79.8 71.4 71.3 3.00 pm ..... 70.9

EMS EUROPEAN CURRENCY UNIT RATES 43.6776 7.89249 2.10687 8.84297 2.37417 Belgien Franc ...
Oanlah Kmne ...
Germad D-mark
Franch Franc ...
Outch Guilder...
Irish Punt .....
Italian Lim ..... -0.10 -0.44 -0.17 -1.07 -1.80 0.756809 Changes are for Ecu, therators positive change denotes tweek currency. Adjustment colculated by Financial Times

### **MONEY MARKETS**

### Rates firm as pound slides

**NEW YORK RATES** 

OVERNIGHT interbank finished bid at 20 per cent on the London supply sufficient assistance to take out the full underlying in band 3 at 9½ per cent; £18m bank bills in band 2 at 9½ per cent; £18m bank bills in band 3 at 9½ per cent; £18m bank bills in band 3 at 9½ per cent; £18m bank bills in band 3 at 9½ per cent; £18m bank bills in band 3 at 9½ per cent; £18m bank bills in band 3 at 9½ per cent; £18m bank bills in band 3 at 9½ per cent; £18m bank bills in band 3 at 9½ per cent; £18m bank bills in band 3 at 9½ per cent; £18m bank bills in band 3 at 9½ per cent; £18m bank bills in band 3 at 9½ per cent; £18m bank bills in band 3 at 9½ per cent; £18m bank bills in band 4 at 9½ per cent. Another £50m bills were purchased of £218m bills for resale to the market on September 1 at 9½ per cent.

The Bank off England (idd not take on the full underlying in band 3 at 9½ per cent; £18m bank bills in band 3 at 9½ per cent; £18m bank bills in band 3 at 9½ per cent; £18m bank bills in band 3 at 9½ per cent; £18m bank bills in band 3 at 9½ per cent; £18m bank bills in band 3 at 9½ per cent; £18m bank bills in band 3 at 9½ per cent; £18m bank bills in band 3 at 9½ per cent; £18m bank bills in band 3 at 9½ per cent; £18m bank bills in band 4 at 9½ per cent; £18m bank bills in band 3 at 9½ per cent; £18m bank bills in band 3 at 9½ per cent; £18m bank bills in band 3 at 9½ per cent; £18m bank bills in band 3 at 9½ per cent; £18m bank bills in band 3 at 9½ per cent; £18m bank bills in band 3 at 9½ per cent; £18m bank bills in band 3 at 9½ per cent; £18m bank bills in band 3 at 9½ per cent; £18m bank bills in band 3 at 9½ per cent; £18m bank bills in band 2 at 9½ per cent; £18m bank bills in band 3 at 9½ per cent; £18m bank bills in band 2 at 9½ per cent; £18m bank bills in band 2 at 9½ per cent; £18m bank bills in band 2 at 9½ per cent; £18m bank bills in band 2 at 9½ per cent; £18m bank bills in band 2 at 9½ per cent; £18m bank bills in band 2 at 9½ per cent; £18m bank bills in band 2 at 9½ per cent; £18m bank bills in band 2 a Further help of £323m was provided in the afternoon, of which £263m bills were bought outright, by way of £73m local authority bills in band 1 at

The Bank of England initially forecast a money market shortage of £900m, but revised this to £950m in the afternoon, and provided total help of £767m, buying bills outright and for resale to the market at the beginning of September, as well as providing some late assistance.

(Lunchtime) Treasury Bilis & Bonds FOUT-YEST ......

MONEY RATES

4.50-4.50 4.50-4.70 4.55-4.70 4.55-4.55-4.75 7 712-714 Frenkfurt.....

Stx months US dollars (11,00 a.m. August 7) Offer 6 12 The fixing rates are the enthmette day. The banks are National Westminsterns, of the bid and offered rates for \$10m quoted by the merket to five Morgao Guaranty Trust.

LONDON MONEY RATES

Month Months Months | Signatural | State | B-50 918-1016 96<sub>8</sub>-91<sub>8</sub> 07<del>-011</del> 934-979 1028 — 

Tressury Bills (sell): one menth 9½ per cent: these menths 9½ ger cent.

Benk 9ills (sell): one menth 9½ per cent: three menths 9½ ger cent. Treanury
Bills: Average tender rate at discours 9.5021 per cent. ECGO Fuxed Finance
Schome IV reference date July 2 to August 5 (inclusive): 10.009 per cent.
Local Autherity and Finance Houses Baven deys notice, ethers seven days fixed. Finance Houses Base Rate 10 per cent from August 1 1966. Bank Deposit
Rates for sums at assen days notice 4.35-4.375 per cent. Certificates of 7dx
Deposit (Beries 3): Deposit £100,000 and over beld under one menth 10 per
cent: ansi-three menths 9½ per cent; thms-sis rasintho 9½ per cent; six-nine
months 9½ per cent; nina-12 months 9½ per cent. Under £100,000 9½ per cent
trom August S. Deposits held under Sailes 5 9½ per cent. Deposits withdrawn
for cash 5½ per cent.

### **Company Notices**

THE GRIQUALAND EXPLORATION AND FINANCE COMPANY LIMITED (Incorporated in the Republic of South Africa)
Reg. No. 70(11100)08

DECLARATION OF DIVIDEND

ended 30 June 1988.

The dividend is declared in the currency of the Republic of South Africa and in pervalse as sharing an ended in the books of the company at the close of business on 22 August 1985. The register of members will be closed from 23 August 1986 to 5 September 1988 both days inclusive. Payments will be closed from 24 August 1986 to 5 September 1986, on or about 18 September 1986 by the transfer secretaries mentioned below, on or about 18 September 1986 by the transfer secretaries mentioned below, on or about 18 September 1986. Payments from the United Kingdom office will be made in United Kingdom office will be deducted from dividends payable to sperebolders whose registered nodresses are sutside the Republic of South Africa. Africa.
The full conditions of payment may be inspected at or obtained from the London office of the company or the office of the transfer secretaries.

8y order of the board per pro. GENCOR (UK) LIMITED London Secretaries

London Secretaries

L. J. Barnes

30 By Place
London Transfer Secretaries

London Transfer Secretaries

Hill Samuel Registrars Limited Greencal Place

7 August 1988

RESETTLEMENT FUND FOR NATIONAL REFUGEES AND OVER-POPULATION Lux Frs 500.000.000 LEX Frs 500.000.000

7% 1972-1987

Molders of the above mentioned issue are betweith informed that the natural recemption instalment sweet september 16. 1986 Covering a nominal mmount of Lux. Frs. 30,000.000. has been entirely satisfied by drawing by lot.

The bonds so drawn bear the Cembers comprised between No. 880 and No. 1878 and between No. 3081 and No. 4851 these numbers inclusive and taking into account the bonds previously repurchated of drawn by lot.

These bends are redeemable at par and talus into account the bonds previously repurchased of drawn by lot.

These bonds are redeemable at par and cease to be a second to the second to be a s

THE COUNCIL OF EUROPE

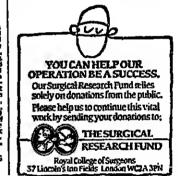
ROWNTREE MACKINTOSH pic

NOTICE IS HEREBY GIVEN to the holders of all warrants ("The Warrants") issued pursuant to a Warrant Agreement dated 22nd October, 1884 executed by Rombred Methodoxon 18 March 1984 executed by Rombred Methodoxon 18 March 1985 and the rights issue of ordinary shares to the Company in March 1985 and the rights issue by the Company amounced on 5th August, 1986, the subscription price of each ordinary share in the Company with many be subscribed pursuant to the Warrant has, as required by the company which may be subscribed pursuant to the Warrant has, as required by the result of the replacement of the company and an active of the Company and at the office of the Company and at the office of the Company and not the 

THE BRAZIL FUND S.A. Sociedade de Investimento
D.L. No 1401
BEAGEO DEPOSITAGY SECEIPTS
BURDEAN DVEBSEAS ISSUING
CORPOBATION S.A. DIVIDEND COUPONS NOS. 19 AND 20 Coupons No. 18 and 20 will be payable from August 18, 1988 nt

-The Chase Minibarum Bank IN.A.I. Woolsate House, Coleman Stroet, London \$129 240. Issuing Casoration, 11, boulevand Grande-Duchease Chailotte, Luxembours. Charlotte, Lutembours:
Cessoo No. 10
USS06.24 per 1,000 depositary
sharet and USS96.240 per 10,000
depositary sharet.
This amount represents the dividend
of C. \$72.807 per share (August
1885) piss interest as descibed hereofter, less Stazillan withholding tax of
15% and the Depositary's commusion
of 1%.
Courses Mo. 20 of 1%.
Coupon No. 20
US\$59.61 per 1.000 decositary
shares and US\$596.10 per 10.000
repositary Fhates.
This amount represents the dividend
of Co. \$77.005 per share flantary
flantary per share flantary
the dividend of the flantary coupons as the coupon of the flantary
the flantary coupons as the flantary
the flantary of the flantary coupons as the flantary
the flantary commission of 1%.

Personal



### **WORLD VALUE OF THE DOLLAR** BANK OF AMERICA NT & SA, ECONOMICS DEPARTMENT, LONDON

VALUE OF

The table below gives the rates of exchange for the U.S. dollar against various currencies as of Wednesday, August 6, 1986. The exchange rates listed are middle rates between keying and selling rates as quoted between banks, unless otherwise indicated. All currencies are quoted in foreign currency units per one U.S. dollar except in certain specified areas. All rates quoted are indicative. They are not based on, and are not intended to be used as a basis for, particular transactions.

Bank of America NT & SA does not undertake to trade in all fisted fereign currencies, and seither Bank of America NT & SA nor the Financial Times

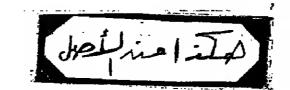
assume responsibility for errors. Bank of America, Economics Dept., London Eurodollar Libor as of August 6, at 11.00 a.m. 3 months: 6½ 6 months: 6½

VALUE OF

ECU=\$US1.01333 SDR1=\$US1.20444 Sibor as of August 6, at 11.00 a.m. 3 months: 6½ 6 months: 6½

		DULLAR			VULLAK		OULLAR
Afghanistat	Afghaol (o)	50.60	Greece	Drachata	135.05	Papus New Galoes Kina	0.9747
Albania	Lek	6.836	Greenland	Danish Kroev	7.804	Courtel (o.c.)	240.00
	Distar	4,63 6,755	Grenada	E. Cortbean \$ Franc	2.70 6.755	Peru Intl. (a)	647.00 13.95
	French Franc Spanish Peseta	135.19	Guara	U.S. S	1.00	Philipines Peso	20.37
Angola	Kwanza.	29.918	Gostewala	(Quetzai (a) Quetzai (b, i)	1.00	Pitenira Islands N.Z. Dollar	1,9294
Aetigus	E. Caribbaan \$	2.70		LQuetzai (b, i)	2.90	Poland Zioty (a) Portugal Escudo	162.48
Argentina	Austral	0.921	Guinea Bissan	Peso	170.479 340.00	Portugal Escudo	146.25
	Florio Doller	1.80	Gainee Republic	Franc (D	300.00	Puerto Rico	1.00
	Schitting	14.645	Greates	Dollar	4.3094	Reunion fale de la French Franc	3.641 6.755
Azores	Portuguese Escudo	246.25	Halti	Gourde	5.00		4.41
Battemas	Dollar	1.00	Honduras Republic		2.00	Romania (Les (c)	10.85
Bahrain	Dinar	0.3769	HORIZE REPORTE	Lemphra (d)	2.325	Responds Franc	85,2764
Balearic Islands	Spanish Peseta Taka	135.10 30.30	Hong Kong	Dollar Forlst	7.802 44.05	St. Christopher E. Caribban S	2.70
Barbados	Dollar .	2.0113	Hiegary			St. Helena Pount*	1.4818 2.70
Belgium	Franc (c)	43.09	Iceland	Krona	40.80 12.54	St. Lucia E. Caribbean \$	2.70
	Franc (f) Dollar	43.43	India	Rupee Rupish	1131.00	St. Please French Franc St. Vincent E. Carlibban S	6.755
	C.F.A. Franc	357.75	1725	Rial (a)	76.6334	Ramon (Western) 7ala	2.70 2.203
Bernuda	Dollar	1.00	[raq	Dinar	0.3109	Samoa (US)	1.00
	Ngoltzen	12.54	Iristi Republic	Punt* (5) How Sheled (4)	1,3368	L San Marino Italian Lira	1432.50
Bolivia	Peso (a) Peso (f)	1904000. 1920000.	Italy	The Septem (4)	1432.50	São Tomé & Principe DR Dobra Sand Arabia Riyel	37.5695 3.751
Botswana	Pola	2.0773	Jamaica	Doller (a)	5.48	Senegal G.F.A. Franc	337.75
Brezi	Crecado (o)	13.84	Jepen	Yen	154.55	Sercitelles	6.0066
	Dollar	2,1732	Jordan	Dingr	0.3219	Signature	24.50
Bulgarta Burkim Faso	Lev C.F.A. Franc	0.9313 337.75	Kampuchee	Riei	8.4.	Singapore Dollar Solomon Islands Dollar	2.1732 1.7621
	Kvat	7.0643	Kenje	Shilling	15.9452	Sorreti Republic Shilling	36.00
Buryard	Franc	201.673	Korea (North)	Australian Dollar Won	1.6147	South Africa	5.3333
Camerous Rp	C.F.A. Franc	337.75	Korea (South)	Wan	884.60	Speia	26192 135.10
Canada	Dollar	1.38	Kutsait	Cinar	0.2907	Spenids park in	135.10
Canery Islands Cape Verde Islands	Spanish Peseta Escudo	135.10 89.2698	Laos P'les O Rep	Kip	35.00	Spanish ports in North Africa	135.10
Cayman Islands	Dollar	0.835	Lesotho	Pome! Visian	45.20 2.6192	Sel I seles	28.17
Central Africa Ren	C.F.A. Frenc	337.75	Liberiz	Dollar	1.00	Sudan Republic	2.45 2.93
Ched	C.F.A. Franc	337.75	Libya	Dinar	0.3195	Sudan Republic ————————————————————————————————————	4.00
C1996	Peso (o) Reomiobi Yuan (3)	192.97 3.704	Liechtestein	Swist Franc	1.6793	Swinter	1.785
	Peso (a)	197.14	Lucterabourg	Licenthoury Franci	43.09	Suzziland Lilangeni	2.6192
Comores	C.F.A. Franc	337.75	Macao	Pataca	8.1102	Switzerland Kronz	6.963 1.6793
Congo People's Res. of	C.F.A. Franc	337.75	Madagascar Dem. Rep Madeira	Franc Portuguese Escudo	664.962 146.25	Swiz Pound (a)	3,925
	Colon C.F.A. Franc	56.375 337.75	Malani	Kwacta	1.8106	Taiwar Dollar (o)	37.75
Cobs	Peso	0.8682	Malaysia	Ringgit.	2613	Tanzania Shilling	41.45
Cyprus	Pound*	2.0105	Maldive Islands	Raffyea	7.00	Thailend Bald	26.12
Czechoslowakie	Koruna (a)	5.95	Mail Republic	C.F.A. Franc	337.75	Togo Republic C.F.A. Franc	337.75
	Krone	7.804	Martinique	Liza* Franc	2.6351 6.755	Tenga Islands Pa'anga	1.6147
	Franc E. Caribbana S	177.00 2.70	Magritania	Distriction Control	74.80	Trinidad & Tobago (Dollar (b)	2,409 3,60
COMPAND TO THE PARTY OF THE PAR		2,855	Maurities		12.94	Tuesta	0.742
Doctinican Republic	Peso (d)	2.855	A4- 4	(Peca (d)	657.50	Turkey	688.52
Ecuador	Sucre (d) Sucre (f)	167.50		Peso (e)	643.10	Turks & Caicus Islands _ US \$	1.00
	Sucre (I)	109.25	Miguelos	French Franc	6.755 6.755	Tuvalo Australian Dollar	16147
Egypt'	Pound(o) Pound (b)	0.70 1.35		Tugrik (a)	3.3555	Uganta	4960.10 1400.00
	Colon	5.00	Montserrat,	E. Caribbean \$	2.70	United Arab Emirates Dirtzam	3.673
El Sahador	Colon Colon (d)	5.00	Morocco	Dirham	8.27	United Kingdom Pound Sterling*	1.4818
Emetorizi Geloca	C.F.A. Franc	337.75	Mazambique	Metical	40.31	Ureguay Peso (m)	147.80
Ethiopia	Birr (a)	2,0786	Kambia	S. A. Rand	2,6192	USSR	0.688
	Danish Krone Pound*	7.804 1.4818	Naturu Islands	Australian Dollar	1,61,47	Vaticas	91.3291 1432.50
	Poliar Dollar	1,1601	Nepai	Rapes	20.50 2.347	(Bolhar (a)	7.50
	Marida	4.974	Netherlands	Guilder Guilder	1 100	Venezziela {Bolher (g) (1)	750
France	Franc	6.755	New Zestand	Dollar	1,9294	(d)	19.50
	C.F.A. Franc	337.75	Nicaragua	Cordoba	70.00	Vietnam Dong Virule islands (British) _ US S	11.8313
French Golana	Frenc	6.755 122.818		(Cordoba (d)	975.00	Virgin islands (British) _ US \$ Virgin islands (US) US \$	100
French Pacific Islands	C.F.P. Franc C.F.A. Franc	337.75	Niger Republic	C.F.A. Franc	357.75 1.3294	Yemen Riai	1.00 9.50
Gembia	Refeel	7.53	Nigeria	rezira Manna	7.3695	Yemen POR Dinar	0.342
Germany (East)	Ostmark (o)	2.083		Krone	0.385	Yugoslanta Dinar	405.30
Germanty (West)	Deutsche Mark	2.083	Oman Sultamete of		16,908	Zaire Republic Zaire	60.05
Ghana	Cedi	50.00	Pakistan	Scribee Scribee	1.00	Zambia Kwacha	4,9262
Elbraitar	Pound*	1.4818	Реглеги	6-1-1-15.		Zimbabwe Dollar	1.6932

a.a. Not maliable. (m) Muriet rate "U.S. delitrs per National Currency unit. (a) Freemarket central hank. (n) Official rate. (b) Floating Rate. (c) Commercial rate.
(d) Freemarket. (e) Controlled. (f) Financial rate. (g) Preferencial rates, (h) Non-estendial imports. (f) Floating touriet rate. (f) Public Transaction Rate. (k) Agricultural products. (f): Prigrity Rate. (l) Venezuals: For febbs, incurred prior to February 1963. (2) Steve Leone, 27 June, 86: Leone freely floating, C 30 Chino, 8 July, 1986: Renminal Vans devalued by 15.8%. (4) Israel, 1 August 1966: New Shetoil now thinks the taxin-entigated basket. (5) Ireland, 2 August, 1966: Pant devalued by 6% within the EMS.



.

Ant Aming Financial Times Friday August 8 1986 INDUSTRIALS—Continued

Account Dealing Dates
Option
\*First Declara- Last Account
Dealings tions Dealings Day
July 28 Aug 7 Aug 8 Aug 18
Aug 11 Aug 28 Aug 29 Sept 8
Sept 1 Sept 11 Sept 12 Sept 22

Share prices dived again and the gloom deepened when disappointing trade statements from leading manufacturing and financial groups aroused fresb fears about UK corporate profitability. The effects of GKN's dismal view of future prospects were still apparent when equity market business commenced and tha situation soon deteriorated. Another angineering company, Another angineering company, TI Group produced poor first half TI Group produced poor first-half results and banking giant Barelays announced mid-term profits which, although higher than the corresponding period of the previous year, were some way below analysts' estimates.

Fresb bouts of nervous selling developed and before noon tha FT indices were in full retreat and over 20 points down. Buyers were almost non-existent and the tone weakened further on reports

and over 20 points down. Buyers were almost non-existent and the tone weakened further on reports thet Opec, despite the recent agreement, was still a long way from finding a permanent solution to the oil market's problems. The UK economic outlook also came under scrutiny following a forecast by a group of Oxford dons that Britain would run into a trade deficit of sizeable proportions next year.

More palatable profit figures from industry leaders such as Shell Transport and BoC failed to restore investment confidence. Jobbers were overburdened with stock after being firred to add to already adequate book positions and the market looked set to exceed Wednesday's beavy fall. However, a limited recovery was set in motion by professional beauterpring and sporedic was set in motion by profes-sional bear-covering and sporadic "new-time" interest for the new three-week trading Account starting on Monday. Shortly afterwards some institutions began to take larger amounts of atock from the market and the tona

improved quickly.

A bright Wall Street opening yesterday further encouraged traders and the FT Ordinary share index reduced a fall of 22.8 to close 12.2 down on balance at 1221.5. The FT-SE 100 sbare index ended 10.5 lower at 1529.9. after 1519.2.

at 1221.5. The FT-SE 100 soars index ended 10.5 lower at 1529.9. Among construction a sympathetic fall of 3 at 144p. Among Construction issues, John Mowlem, to 378p. The latest weakness in the exchange rate index was an inhibiting influence but dealers were able to effect soma two-way business at the lower levels. After attempting several rallying movements, tha longs eventually reverted to the early levels to close i down on their overnight positions. Index-linked Gilts benefited from revived bedging against equity market commitments and the longest-dated issue gained 1½ points 10 95g. Other gains stretched to a point.

Barclays disappoints

Barclays disappoints

Barclays brought the clearing bank dividend season to a disappointing close. The meagre 7.7 per cent interim profits increase to £434m—brokers' fore-casts had ranged as high as 200 construction at 1529p. Among Construction at 144p. Among Construction at 144p. Among Construction issues, John Mewlem, to 378p. Among Construction at 144p. Among Construction issues, John Mewlem, to 378p. Among Construction at 144p. Among Construction at 144p. Among Construction issues, John Mewlem, to 378p. Among Construction at 144p. Among Construction at 146p. Among Construction at 146p. Among Construction at 146p.

### Steep fall reversed late but equity index closes another 12.2 down

£480m—induced immediate selling of the shares which dropped swiftly to 450p before ending the session a net 20 lower at 455p. NatWest, which had tonched 522p during the current Account following its better-than-expected 33.5 per cent half-year increase to £482m, reacted in sympathy to finish 12 lower at 490p, after 485p. Midland softened 5 at 543p, after 540p, and Lloyds cheapened a couple of pence at 385p, after 350p. Elsewhere, Kleinwort Benson rose 10 more to 750p on further consideration of tha bumper first-half profits and proposed 50 per cent scrip issue.

Composites continued to give ground at the ontset on fears of claims arising from the floods in Sydney, Australia. However, a rally developed later as buyers appeared at the lower levels and CREF recovered smartly from an

appeared at the lower levels and GBE recovered smartly from an initial level of 805p to finish 6 better on balance at 818p.
Electronics group F & H made a quiet debut; the shares opened at the offer price of 134p and edged up to 136p.
Breweries, relatively resillent to the widespread shake-out on Wednesday, reacted on nervous offerings as investors adopted a gloomy short-tarm view of the impending Monopolies Commis-

offerings as investors adopted a gloomy short-tarm view of the impending Monopolles Commission probe into the "tied" bouse system. Dealers reported occasional "cheap" buying, bowever, which lifted the leaders above the day's lowest levels. Allied-Lyons, fell 3 to 312p, after 308p, while Bass settled nnly 5 cheaper on balance after 725p. Regionals turned dull in sympathy. Recent speculative favourites J. A. Devenish, 21fip, and Greene King, 210p, fell 5 and 8 respectively.

Leading Building made another dull showing, Bine Circle came under selling pressure and dipped to 545p prior to closing a net 16 down at 550p, as the company blamed the Increasing threat of cheap foreign cement imports for its decision to cut its workforce by around 300. Rugby Fortland ebowed a sympathetic fall of 3 at 144p. Among Construction issues, John Laing fell 8 to 416p, as did John Mowlem, to 378p. AMEC were particularly dull at 262p, down 6 and Alfred Medipina shed 7 to 418p, Speculative counter Raine Industries fell away to 60p before staging a seful rally to close only a conpla of pence cheaper at 66p, but Derek Crouch jost 11 to

	Ang	Aug	Agg	Aog	July	year	19	86	State Co	Compliation		
	7	6	3	4	ī	#G0	High	Low	High	Low		
eremment Sess	88.86	89.02	89.21	23.65	88.90	83.41	94.51	80.39	127.4	49.18		
bad  stered	95.76	95.87	96.12	95.85	95.97	88.47	97.68	86.55	105.4	50.53		
rdissry 🕈	1,221.5	1,233.7	1,265.8	1,261.5	1,273.4	958.0	1,425,9	1,094.3	1,425.9	49.4		
old Mines	194.3	199.3	193.1	196.5	196.0	358.3	357.0 (27/1)	185.7	734.7	43.5		
rd. Div. Yield	4.50	4.46	4.35	4.37	4.33	4.88		S.E. A	TIMITY			
arntings Yid.%(fail)	10.91	30.83	10.58	20.63	10.35	12.04	loc	ices	Aug. 6	Aug. 3		
/E Ratio (set) (*)		11.28 22,439	11.53 21.683	11.47 20.770	19,101	10.25 18,923	Gitt Enged Equity Bary	Bargains	109.2	135.4		
pulty Turnover Em	_	486.33	596.12	456.05	538.34	366.80	Selly Valo	t 20e	983.0	1204.9		
المرسل بالمرسل	=	19,454 225.3	20,707 266.8	17,830 234.4	15,902 182.2	15,986 201-2	Equity Sary Equity Valo	nins	119.4 956.2	119.5 975.5		
	10 a.m. 1226.8		a.m. 15.4	Noon 1211.3		p.m. 213.0	2 p.m 1214.		3 p.m. 217.7	4 p.m.		

7.7 per cent interim profits Benzel shed 3 to 69p. Contract meeting of a return to profit increase to £434m—brokers' forenews failed to sustain Morceau, ability in the first half of the casts had ranged as high as 2 cheaper at 273p, but a Press current year. Occomics, in con-

mention stimulated further interest in Herace Cory while residence a penny to 20. Thurgar added a penny to 20. Thurgar far added for penny to 20. Thurgar far added for penny to 20. Thurgar far added a penny to 20. Thurgar far added for 20.

BOC feature

ROC provided the only bright spot in the miscellaneous industrial leaders, rising 8 to 3159 in response to the better-than-expected finded quarter figures. Still overshadowed by 1842m The Property leaders gave anshare placing to faind the acquisition of Flint Laboratories of the US, Boots came under fresh reserved. Rosehangh were participating spressure, but subsequently reliked to close only 2 off on balance at 211p. Rosehangh were participating spressure, but subsequently reliked to close only 2 off on balance at 211p. Securative Securatives Rosehangh were participating spressure, but subsequently reliked to close only 2 off on balance at 211p. Securative Securatives Rosehangh were participating spressure, but subsequently reliked to close only 2 off on balance at 211p. Securative Securatives Rosehangh were participated to close only 2 off on balance at 211p. Securative Secu

ket, while Williams Heldings A volatile market recently, gave up 15 to 610p and Morgan Amalgamated Financial jumped Crucibla 10 to 258p. Suggestions to 38p before closing 6 higher

**NEW HIGHS AND LOWS FOR 1986** 

on balance at 32p following the announcement that publicly quoted Australian investment banking and financial group, HDFT, is to acquire a 23.53 per cent stake in the company.

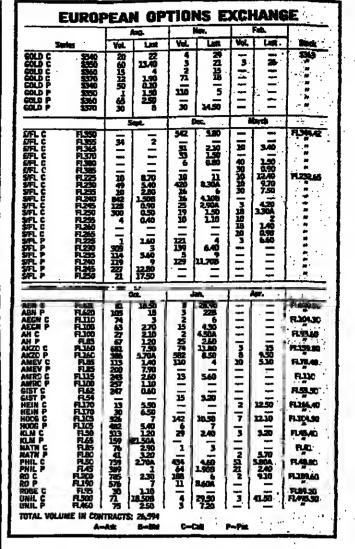
A firm market of late on Rothschild stake speculation and the announcement that Mr John Gunn is to join the stockjobbing concern next month as a nnn executive director, Smith New Court succumbed to end-Account afferings and clos lower at 167p. Oils steadier

A recently volatile oil sector gave a steadier performance yes-terday. Satisfactory half-year figures from Shell helped underpin the sector in the wake of Wednesday's doubts about the Wednesday's doubts about the OPEC agreement An ominous OPEC agreement. An ominous warning from tha Kuwait oll minister about production levels being set too low by OPEC went by the board and the leaders fluctuated narrowly around overnight levels before settling a shada easier for choice. BP, down 20 on Wednesday following reports of a sizeable share placing, softened a conpla of pence to 588p. Shell were finally unchanged at 833p following the interim statement.

Dull conditions prevailed in Textiles. Courtaulds loat 7 at 255p and Allied dropped 15 at 280p. Dawson relinquished 6 at 238p, while the liquidation of specula-

while the liquidation of specula-tive positions left Lamont 2 off at 154p.

placing, recorded 1,190 calls and 3,581 pnts,



### TRADITIONAL OPTIONS

Hyman, Kwik-Fit, Britell, Bar-First Hyman, Kwik-Fit, Britell, Rar-clays Bank, Polly Peck, Neepsend, Parkdele, Trenwood, Metals Exploration, Thurgar Bardex, Amstrad, British Telecom, STC, Rockware, Barrow Hepbura and Bristel Oil and Minerals. Puts were done in Parkland and Smith New Court. No doubles First Last Last For Deal Stocks favoured for the call included Rains Industries,

### WEDNESDAY'S ACTIVE STOCKS

	Bazed	on harg	ains med	orded in SE Diffic	ial List		1
Stock	Ns. of	Wed.	Day's	Stock	No, of changes	Wed.	Day
GKN	54	290	-56	Luces Inde	. 14	510.	14
e.p		590	-20	Hewker Sidd.	. 13 .	491	26
Ceacham	1 <b>a</b>	386	12	Royal ins	13	804	-20
Boots		213xr	11	Shall Trans	13	833	0
Ptessey	15	196	8	GEC	12	190	.6
Sritoil	14	116	- 5	Glynwed Int'L	12	300	8

### YESTERDAY'S ACTIVE STOCKS

Above everage	activity w	es nated	le the following stocks yesterday,
Stock	Closing		Stock Closing Day
E	price 207	change 3	Dawson Internation 238 - 1
lerclays		20	GKN
ritish Aerospace	491	+13	Luces ladustries 513 - 3
P		- 2	Raine Industries 66 - 2
cets Viyella		··· 8	Shell Trensport 833 -
emmarcial Union	207	_	Vorkables Chamicals 140 - 4

KIDED AND PALLS IS	21F	CUAT	
British Funds Corporations, Dominion and Fereign Bonds Industrials Financial and Proporties Dila Plentations Mines Others	Rises 13 5 143 78 18 2 63 84	Faita 84 30 952 231 36 0 22 64	Se
Macala.			 

Total delication of the second

### These Indices are the joint compliation of the Financial Times. the Institute of Actuaries and the Faculty of Actuaries

FT-ACTUARIES SHARE INDICES

	EQUITY GROUPS & SUB-SECTIONS	1	hursd	ay Au	gust 1	7 1986	5	Weds Ampast	Tues Aug 5	Mon Ass 4	(althour)
F	gures in parentheses show number of stocks per section	'Day's Change %	Est. Earnings Yield% (Blazz.)	Grass Div. Yield% (ACT at 29%)	Est. P/E Ratio (Net)	art arti. 1966 to date	ladez No.	Index No.	ladex No.	tadez No.	
1	CAPITAL GOODS (213)	672.05	-14	9.12	3.58	13.96	18.59	681.27		693.32	515.44
2	Bulking Materials (26)	763.57	-0.9	9.27	3.78	13.56	12.01	770.43	776.95	777.98	529.29
3	Contracting, Construction (31)	1176.58	-0.7	8.08	3.85	16.91		1187.2		1189.71	810.19
4	Electricals (12)	1744.40		9.03	4.39	14.51		1755.20		1786.48	1343.90
3	Electronics (36)	1527.27	1.7	9.87	2.59	13.47			1594.02	1589.55	
6	Mechanical Engineering (61)	373.44		20.39	4.58	12.25	6.76				262.26
6	Metals and Metal Forming (7)	326.08		9.30	4.19	13.69	5.18				197.05
9	Motors (3.6)	272.26		9.67	3.60	12.04	3.78				156.87
10	Other Industrial Materials (22)	1200.50		7.01	3.30	17.18			1237.15		894.93
21	CONSUMER GROUP (182)	873.50		8.21	3.39	15.33	12.66				665.49
22	Brewers and Distillers (22)	879.33	1.3	9.85	3.65	12.42	12.50				628.34
25	Food Manufacturing (22)	657.77	1.0	9.42	3.97	13.94	12.20				485.03
26	Food Retailing (15)	1755.35	14	6.64	2.96	26.74			1789.94		
27	Health and Household Products (20)	1467.76	-0.4	5.70 8.13	2.36	28.75		1473.0			1864.61
29 32	Leisure (28)	384.40 2421.69			4.08	16.10	19.23				
33	Packaging and Paper (14)	445.52		7.91 7.41	357	17.59	6.75		2432.49		
34	Stores (36)	824.69	-6.8	719	3.04	18.90	10.49				349.35
35	Textiles (17)	595.66	23	10.32	3.83	11.23	8.94				667.83 314.58
36	Tobaccos (2)	1062.74		14.12	4.60	7.83			1089.99		
41	STHER GROUPS (88)	734.88		9.16	438	14.07	13.53				814.14 677.43
72	Chemicals (20)	908.36	+0.2	9.65	456	12.61	19.49				679.82
44	Office Environment (4)	232.42	-13	8.00	4.56	15.12	4.65				199.05
45	Office Equipment (4)	1426.16		8.12	438	15.60			1450.77	1442 85	1163 64
47	Telephone Networks (2)	760.15		11.30	4.54	12.10	16.67	763.48			877.57
48	Miscellaneous (49)	994.78	9.5	6.86	3.47	18.25	11.84			1010.59	824.17
49	INDUSTRIAL GROUP(483)	795.22	-0.9	8.67	3.65	14.65	12.52				
51	Oil & Gas (17)	1222.56	-0.3	16.71	7.32	7.36			1251.71		
59	500 5 HARE INDEX(500)	832.21	-0.8	9.57	4.06	13.11		839.2			
꿃	FINANCIAL GROUP (117)	574.92		707			11.26				
62		6C8.49	2.1	20.12	4.68	6.82		580.99 621.69			474.78
65	Banks (7)	814.46	-0.2	20.12	4.56	0.52	17.27	815.78			475.51 735.84
8	Insurance (Composite) (7)	459.74		=	4.52		9.46				369.65
67	Insurance (Brokers) (9)	1170.99	-12	8,92	4.08	14.55			1197.76	1205 26	
68	Merchant Banks (12)	323,07	13		3.71		456	327.35			
69	Property (50)	760.38	-11	5.70	3.61	23.24	10.95				642.47
70	Other Financial (23)	329.86	-0.7	8.83	4.68	14.12		332.30			267.91
77	Investment Trusts (101)	741.40	-0.7		3.05		10.09				279.54
81	Mining Finance (2)	246.35	1.0	14.63	6.51	7.97	611	248.86			23.0
91	Overseas Traders (14)	618.37	-0.4	12.24	7.54	9.70	19.65	620.78	628.18		687.26
99		757.60	-0.9		4.16	_	13.67		773.68		629.97
		Index No.	Day's Change	Day's High	Day's Low	Angust	Aug 5	Aug 4	Aug 1	July 31	Year 590
-	FT-SE 100 SHARE INDEX &		-105	1517.4				1547 4	1561.8	15521	7254 C
	FIXED INTER				AVER	AGE GR	085		Thurs August	Weds August	Your

FI	XED	INTE	REST		AVERAGE GROSS REDEMPTION YIELDS AUGUST	Your ago	
PRICE INDICES	Thurs August 7	Day's change %	Weds August 6	nd adj. today	nd adj. 1996 to date	British Soversment	19.17 19.17
British Government 1 5 years	122.39 140.33 147.49 163.24 136.72 113.90 115.73	-0.29 -0.35 +0.62 -0.12 +0.36 +0.68	122.44 148.61 148.29 163.20 136.96 113.49 114.95 114.66	1 1 1 1 1 1 1	4.87 7.99 8.13 7.27 7.71 1.18 1.99 1.84	4 Medium 3 years	18-17 18-57 18-54 18-57 18-55
9 Scientere & Least .	119.69 84.50	ı	120.68 84.52	_	5.83 3.73	16 Leas 15 years 30.44 10.59 10.59 12 Praference 1 10.89 10.89	11.39 11.27 12.28

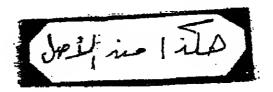
ng Index 1537.4; 10 am 1530.7; 11 am 1521.8; Noon 1520.3; 1 pm 1522.5; 2 pm 1524.2; 3 pm 1525.7; 3.30 pm 1527.2; 4 pm 1527.9 † Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A new list of constituent changes are published in Saturday issues. A new list of constituent is available from the Publishers, the Financial Times, Bracken House, Camoon Street, London EC4P 4BY, price 15p, by post 28p.

Į	NEW HIGHS AND	LOWS FOR 1986
1	NEW HIGHS (50)	Cont. Illinala Hidgs. Dana Corp.,
	BRITISH FUNDS (4) Exch. 21a0c 1996, Treets. 2pc IL 1988, Trees, 2pc IL 1990, Trees. 21apc IL 2016 A (£40 pd).	Cont. Illinals Midgs. Itana Corp., SAMES (1) First Natl. Fin. 8.3pc Cv Cum Rad Pr., CHEMICALS (1) Morcout ELECRICALS (6) Air Call, Humberside Elect., Memcem Intl. Norbain Elect., Ilcoonics, Unitach. EMILINERRING (1) Chamring Cav Rd Pf., FOODS (5) ASDA-MFI, Iceland Frozan Foods, Normana Group. Rowntree Mackintosh Wald. HOTELS (1) Trusthe use Farts. IMDUSTRIALS (14) 30ots, 8rown & Tawas. Fogerty. Lodge Cers. London
	Tiess. 24c IL 1508, 1488. 2pc IL 1500,	ELECRICALS (6) Air Call, Humbereids
	AMERICANS (2) Abbsil Labs  Growning-Ferris, CANADIANS (1)  Echo Say Mines, BANKS (3) Algement	Breaks, Memcem Intl., Nerbain Elect.,
	Echo Say Mines. BANKS (3) Algement.	Chamring Cov Hd Pf., FOODS (5)
	Canca da Cilbas, Banco da Santander,	ASDA-MFI, Iceland Frozen Foods,
1	Echo Sey Mines, BANKS (3) Algemeas, Cance de Gibas, Banco de Santander, GREWERS (1) Yaung Graw, A. BUILDINGS (3) HAT Ilroup, Sharpe	Wald, HOTELS (1) Truetheues Ferte.
ı	& Fisher, Vibroplant, CHEMICALS (1)	INDUSTRIALS (14) Boots, Brown &
Į	Toshibs Corp., ENGINEERING (1)	Tawsa, Fogerty, Lodge Care, London and Midland Dfd., Maxiprint, Mitche Cotts, Pavisn Intl., Ropner, Ds. A.
	BUILDINGS (3) HAT Inroup Sharpe A Fisher, Vibrophan, CHEMICALS (1) Cery (Herace), ELECTRICALS (1) Toshiba Corp., ENGINEERING (1) Greithweite, FOODS (3) Gelapak Faoda, Homa Farm, Wessanen, IMPUSTRIALS (1) Unilever NV. Leibüre (1) WSL. PROPERTY (4) Deacers, Greinger Trust, Prop. & Reversionary, Utd. Real Prop., TEXTILES (1) Torey, TRUSTS (14) Geills Giftord Japan, City & Comm. Cap., Drayton Japan, GT Japan, Govett Infestal Inv., Martin Curria Pec., In. Warrents,	Cotts, Pavien Intl., Ropner, De. A. Russell (A), Spissh Products.
ı	(1) Unilever NV. LEISTRE (1) WSL.	Technology for Guaineas, Tinaley
1	PROPERTY (4) Descers, Greinger	(Eliza), INSURANCE (2) Abbay Life,
	Prop. TEXTILES (1) Tarev.	Grp., NEWSPAPERA (2) Collins (Wm.
1	TRUSTS (14) Caille Gifford Japan,	A. Euromaney Publ., PAPER (4) Good
1	GT Japan, Govets Edgard Inv.	Advertising, Valin Pollan Int.
1	Martin Curria Pac., Ile. Warrants.	PROPERTY (2) Brosvensr Square
1	Martin Curria Psc., Ila. Warranta, New Takyo Inv., Pacific Inv. Tats, Robeco (dr.), Rolince, Do. Sub Sha., Stockheldere FE, Amal. Financiel Invs., IILS (4) Gridge Oil, Imp. Com. Gee Go Cv Une 1955-2000, Petrofina SA,	Russell (A), Spissh Products, Technslogy for Gusinsas, Tinaley (Eliza), INSURANCE (2) Abbay Life, Hach (C. E.), LESURE (1) Semuelae Gp., NEWSPAPERS (2) Collins (Wm. A. Euromaney Publ., PAPER (4) Good Relations, LCA Hidgs., Mosa Advertising, Valin Pollan Int., PROPERTY (2) Brosvensr Square Props., Proporty Permarships, SOUTH AFRICANS (1) Serious Rand, TRUSTS (5) Atlantic Assetz, Caledae Inve., Cont. Assetz Trust, Carman.
1	Stockhaldere FE, Amai. Financial Inva.,	TRUSTS (5) Atlantic Assets, Caledasi
J	Bog Cv Una 1995-2000, Patrofina SA.	Invs., Conti. Assets Trust Garman Secs., London Trust Werr., IIILS (3)
١	ADY OUTER, PLANTALIUMS (1)	Carksley Expin., INCCD, Ultramer,
ı	Grand Cantral Invs., MINES (4) ACM, Australia Mining, Renison,	OVERSEAS TRADERS (1) Finisy (J.).
ı	Saaa of Gwalle.	MINES (4) West Rend, Angle Amer.
ł	NEW LOWS (57) AMERICANS (3) Cont. Illiania Corp.,	Gald, Cons. Murchison, Musto Explanations.
١		
١		
ľ	BASE LEND	ING RATES
I	ABN Bank 18 18 Allied Arab Bank Ltd 18 Allied Dunbar & Co. 19 Allied Irish Bank 10 American Express Bk 19 Amro Bank 10 Henry Ansbacher 19 Associates Cap Corp 19 Banc de Bilbao 19 Bank Hapoalim 19 Bank Leuni (UK) 19 Bank Credit & Comm 19 Bank of Cyprus 10 Bank of Irish 19 Bank of Bank 19 Bank of Irish 19 Bank of Bank 19 Cayaer Ltd 19 Canada Permanent 19 Cayaer Ltd 19 Canada Permanent 19 Cayaer Ltd 19 Citibank NA 19 Citibank NA 19 Citibank Sayings 1844	Exeter Trust Ltd. 16½ Financial & Gen. Sec. 16 First Nat. Fin. Corp. 11 First Nat. Sec. Ltd. 11  Robert Fleming & Co. 16 Bobert Fleming & Co. 16
ľ	ABN Bank 10	Exeter Trust Ltd. 1614
ł	Allied Arab Bank Ltd 18	Financial & Gen. Sec 19
١	Allied Juntar & Co	First Nat. Fin. Corp
١	American Express Bk 18	Robert Fleming & Co 19
ı	Amro Bank 10	Robert Fraser & Ptrs 11 Grandleys Bank 119
1	Associates Con Corn 19	Grindleys Bank
Į	Banco de Bilbao 16	Guinness Mahon 16 Hambros Bank 18
į	Bank Hapoalim 10	Heritable & Gen Trust 18
Į	Rank Credit & Comm 18	• Hill Samuel 510 C. Hoare & Co. 10
l	Bank of Cyprus 19	Hongkond & Shandhai 18
1	Bank of Ireland 16	Knowsley & Co. Ltd
1	Bank of Scotland 19	Lloyds Bank 19
ļ	Banque Belge Ltd 10	Mase Westpac Ltd. 18 Meghraj & Soos Ltd. 16 Midland Bank 18 Morgan Grenfell 19 Mount Credit Corp. Ltd 19 Notice Ltd. 19
1	Barclays Bank 10	Midland Bank 18
1	Beneficial Trust Ltd 11	Morgan Grenfell
ı	Berliner Bank AG 19	Mount Credit Corp. Ltd 10 National Bk. of Kuwait 19
1	Brit Bk of Mid. East 10	National Girobank 15
1	CT. Rank Nadarland 10	National Girobank 18 National Westminster 18
١	Canada Permanent 19	Northern Bank Ltd
l	Cayzer Ltd 10	Norwich Gen. Trust
Ì	Cedar Holdings	PK Finans. Intl (UK) 161/2 Provincial Trust Ltd 11
ı	Citibank NA 19	R. Raphael & Sons 10
I	Citibank Savings 11614	Roxburghe Guarantee 17
I		Royal Bank of Scotland 16
J	Clydesdale Bank 19 Comm. Bk. N. East 16	Royal Trust Co. Canada 18 Standard Chartered 10
ŀ	Consolidated Credits 19	Trustee Savines Bank
ŀ	Continental Trast Ltd 18	UDT Mortgage Express 110 0
ı	Co-operative Bank *10	United Bank of Kuwait 14
1	The Cyprus Popular Bk 18	United Mixrahi Bank 19
۱	Duncan Lawrie 19 E. T. Trust 11	Westpac Banking Corp 10 10 Whitesway Laidiaw 104
۱	Equatorial Tst Corp. plc 19	Yorkshire Bank 10
١	<ul> <li>Members of the Accepting Houses C</li> </ul>	ommittee. * 7-day deposits 5.69%, 1.
١	1700th 6.03% Ton Ties-625.000+	at 3 months' potice 9 72% As and 1
l	when £10,000+ remains deposited.	Call deposits £1,000 and over 61%
•	I ARMY I WALINGS OF LINE 3 has	

								DED	•	• • •	514	•					
Option		Oct	CAL		Oct.	PUT			~-				CALL			PUT	
Affed Lyons (*323)	300	25	35	45	. 8	10	13	SEIGH	Option botd Elk	- 50 55		*	60 ·	Feb.	Aug.	Nov.	F
	330 360	11	18	28	46	30 50	33 55		544)	60	O I	2	8 NS	42 22	200	33	1417
B.P. (*586)	500 550 600	95 47 17	205 60 35	77	9 40	20 45	20 52	, P.	486) 486)	46 50 50	900		223	紀期	3	15 70	247
Cons. Gold (*422)	420 460 500	30 10 4	37 20 13	50 32	25 ST 92	40 67 97	43 74		182)	16 18 20	0   10		34 18 12	40 26 16	2 0 20	122	3
Courtagelits (*255)	240 260 280	23 15	20	- - 29	142	14	- 20	R.	TZ 540	5050	20		62 34 16	75 50 30 14	15 62 107	778 110	3.6
Core. Union (*292)	280 303 330	19	18	20	7 18	30	2		Reefs 50)	1 4	7	2	17/2	14 12 80	1	3 6	14
Cable & Wire	500	80	10	125	43	44	45	Tr. 114	% 199	1 10		4	14	6	122	12	1
(*66C)	650 700 750	40 15 5	55 33	90 48	30 60 100	20 30 65	145	-	X 03/07	112	0	4	82	號	524	X	1
Distillers (*675)	600 620 700	105 65 27	Ē	苣	15	=	E	(-2	1180	111	6	•	ない	英兴	812	200	P. Continue
6.E.C. (*186)	180	16	24	30		5	1	Y-	Option		34	•	Dec	Ma	Sep	Dec	
Grand Met.	200 220 360	3	15 7	18	18 36	20 36	24	60	cham SEL)	36 39 42 46	0 1 A		45 27 36	57 58 25 24	20 43	RNG	14
(2375)	382 390 420	22 8	29 17	37	20 52	30	37	100	21))	22	0 15	+	16	25 16	16 31	18 31	21.53
(-98g)	900 950 1000 1050	87 54 30	120 87 57 37	100	19 30 54 90	20 40 60	45 77		TR 833	26 30 30	16	1	23	200	2	17	88 88
Land (**	300 330 360	27	25 17	47 45 28	5 18	90 921 45	18	(**7	32)	70	1 53	+	12 35	- SS	30 30	32 ·	THE CO
(*191)	360 300 270	18	24 13	32 18 12	45 3 12	5 14	7		Circle SCJ	55		7	4029	43 40	14	888	82 K
Shell Trans. (*850)	750 800 850	87 43 26	40 40 35	120 85 53	30 4 17	15 20 25	33 25 40	De 1	Peers 1,901	55	70 37 20	- Company		20 20 20 20 20 20 20 20 20 20 20 20 20 2	102 20 35 70	25	器
rafalger House (*255)	280 280	25 7	20	35	10 24	15 26 38	18 29	Physical	240 240	300 330 340		1	40 20	50 30	120	8 18	明
Option		Aug	Nav	Mar	Aos	Nov	No	-		280	122	+	9 24	22 34	17	40 22	22
(*201)	200 218 220	7 2	18 11	24	11 25	15 26	18	(*2		30X 33X 340	1	1	5 2	227	30 50 88	艾克	SHAN
(haria-	2% 240	1	-	3	43	44	48	(*9	6)	900 990 1000 3050	50 30 18		5	198	25. 48 75	49.5	1000
Option Brit Aero	460	Aug.	Nov.	Feb. 73	Amp. 23	Nov.	Feb. 22	Main (*16	-6	138	暑	+	0	<del>=</del>	2 /	20	-25
BAT lads	500 550 360 370	12 2 27	35 12	50 27 25	22 65	33 67 6	35 73			190	31,		5	22 12,	172 17 17 17	827	112
(-385)	420 460	8 02	25 11 3	17 —		22 45 82	25	730		900 950	四四		0	3	3 17	13 72	2 22 25
Bardigs (*457)	420 460 500	40 12 2	57 10	52 30		30 60	31 65	Thorn (~46	D)	420 460 500 550	40 27 7 2	14	200	2 2 2	3 20 37	1388	100
Brit. Telecom (*285)	180 200 220	12 3 1	814	V 22 **	3 17 37	8 19 38	11 22 37	1	8	300 390 360 390	75 45 20 5	٦.	_	러	21.	- 1	=
fury Schaeper (*161)	160 180 200	7 2 :	15 7 3	Z1 12 6	4		14 24 41					1 3	2		10 27	15	28
Imperial Gr. (*353)	300 330 360	55 25 8	68 95 17		1 2	2 7 7 27	=	F7-SE	1525	<u> </u>	9	Out.	Nov.		+	33	Res
Ladkroke (*337)	300 330 360	40 14	45 25	54 5	1	1	613	(*1540)	1575 1400 1450 1450	48 137 4	名が記り	RS4 最为21	70 57	75 100 125 150	20 12 12 12 12 12 12 12 12 12 12 12 12 12	100 N	38
LASING		22 15		25 25 20 27	2 4 9	6	<del>"</del> — 1		씚	2	4	22	=	露	125	盟	11

OFTIONS

YESTERD!



	WOR	RLD STO	CK MARKETS	
1	Aug. 7 Price + er Aug. 7 Price + or Aug. 7 Kroner - Aug. 7	APAN (continued)  Aug. 6  Price: + er Yen: -	CANADA	
The second of th	Arg   288   7	MHI. 9 + 17 Mitsul Baek	Sales Stack   High Low Disse Ching   Sales Stack   High Low Disse Ching	Sales   Sack   High   Low   Close   Cling   Sales   Stack   High   Low   Close   Cling
The second secon	Pastrigue Nat.   2,150 - 20   Hussel   600 + 4   OB   Inc.   2,150 - 20   OB   Inc.   2,150   OB   Inc.	Drant Finence	1500   150	13600 M 1 rusco
电路电路电路电路 一十二	Saphstail   Saph	akcde 1, 790 + 10 OK. 5,280 + 180 eijin 508   190 eijin 508   170 Okal Bank 1,000 + 5 Okio Marine 1,440 + 50 Okyo Eleel Pwr. 5,830 - 40 Okyo Gas 770 - 19 Okyo Gorp 1,030 - 10 Oppan Print 1,560 - 20 Oray 644 + 12 Oorbina Elect 557 + 27 Oyo Selkan 8,440 - 90 Oyota Motor 1,1330 + 60 JBE Inds 285 + 2 Inctor 2,400 + 5  'manuehi Phm 5,000 - 50 amazeki 1,460 - 10 asude Fire 832 - 1  INGAPORE  Aug. 7   Pries + or	2955   Camp Res   173   170   170   -3   200   Gr Paculic   544   44   -2   27224   Ccern ar p   0141 <sub>4</sub>   14   14   14   15   585   CDC   1   S63 <sub>6</sub>   63 <sub>6</sub>   63 <sub>6</sub>   5   5   14   15   15   15   15   15	25300 6artCan P   2524   233   243   43   43   125   1
Fr.	Emprunt 7% 1973 7,928 880 , +28 O. Accor	oustead Hidgs 1.03 — C.41 old Storoge 1.5.2 +0.02 dS — 1.0 — 0.05 denling 4.88 aw Par. 8rcs 2.99 +0.04 ong Leong Fin 2.55 +0.01 leoheags 8hds 2.15 +0.08	Indi	ices
** ** ** ** ** ** ** ** ** ** ** ** **	88N Gernzis (4,000	September   1   68   0.02	NEW YORK   10865   1988   Since Compilation   1988   1988   Since Compilation   1988   19	AUSTRALIA All Ord. 11-1-80; Motale & Mnis, 11-1/801  AUSTRIA Craditbk Akilen (50/12/8)  234,06  230,91  234,00  232,55  268,64 125,4)  226,58 19.5;  8ELDIAN Brussel 2E 11/1/841  6776,52  8769,70  8769,80  8769,70  8769,70  8769,80  8769,70  8769,80  8769,70  8769,80  8769,70  8769,80  8769,70  8769,80  8769,70  8769,80  8769,70  8769,80  8769,70  8769,80  8769,70  8769,80  8769,70  8769,80  8769,80  8769,70  8769,80  8769,
ŀ	OVER-THE-COUNTER Nasdaq national market, closing prices		N.Y.S.E. ALL COMMANN   RISES AND FALLS	SOUTH AFRICA JSE Gold (28-9/70) — 1465.0 1592.7 1391.1 1466.0 18.0 1010.5 1214 JSE Indust 128.2:78) — 1260.1 1254.1 1246.8 1260.1 18 81 1010.5 12.1  SPAIH Madrid SE 150.12/851 180.10 185.49 184.96 184.21 184.77 112 51 100.01 (1.1)
1	Pacar 7.40 45 43 42 42 43 4 1 4 1 Rouses 50 74 29 29 29 29 1 Standy 1.08 46 40 40 4 0 - 3 1 IStan Pacar 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	40 332 23% 22% 23% 23% 1% 122 508 56 55% 55% 1% 24 307 17% 15% 16% 1% 1 50% 31 1% 31% 31% 15% 31% 1% 15% 16% 28% 28% 28% 28% 28% 28% 5% 15 15 1% 306 37 13% 18 14% 19 36 570 7 6% 6% 6% 1%	MYSE-Consulidated 1500 Actives   Stocks   1.00p.m. Change   Prices on Bay   1.471,802   42   + 34   Am Metres   1.083,200   23 %   - 49   24   2845,600   23 %   - 49   2845,600   23 %   - 49   2845,600   23 %   - 49   2845,600   24   2845,600	BWEOEN Jacobson & P (31:12:56) 2526,74 2596,41 2527,18 2531,73 (4 5) 1729,57 (221) SWITZERLAND SwissBackGpn:31:12:50; 500,1 504,2 501.8 497,2 525,5 10:11 497,2 4:81 WORLD M.S. Gagital Intl. (1/1,70) — 528,1 650,2 520,2 551,4 14:11 249,8 (23-1)  ** Saturday August 2: Jagan Nikkal 17.284.8. TSE 1,406.27.
	Petritis 112 8 233, 230, 230, Sarhita 35 7 6'9 6'4 SunMed 21 129 12'9 12'9 Velicito	645 5½ 4° 5 7 ½ 983 9¼ 9½ 9½ 863 1 2° 6 3 7 ½ 20 53 13½ 12¼ 12½ 12½ 7 ½ 1 84 27½ 27½ 27½ 3½ 1 22 356 42¼ 41½ 27 ½ 3½ 1 11½ 32 22 22 7 ½ 1 11½ 33¼ 3¼ 3¼ 1½ 12e 683 15½ 14% 15 7 ½ 22e 710 6 5% 6 4 ½ 1 16 15 16 15 16 15	Aog   Aug	Base value of all Indices era 100 except Brussnie SE-1,000; JSE Gold-258.7. JSE indestrial-264.3, eed Austrelie. All Ordinery and Matais-500. NYSE Alf Common-50: Standard eed Poors-10: eed Toronto Composite and Matais-1,000. Toronto indices based 1976 eed Montreal Porticula 4/1/83. I Excluding bonds. 1,400 industrials plus 40 Utilities. 40 Fiscociale end 20 Tressports, a Cleand. u Desvallable.
	Pri Cate 48 17 201 20 20 20 20 20 20 20 20 20 20 20 20 20	238 941, 901, 93 - 21, 148 614 518 619 18 12 181, 161, 1612	Anglo-Alpha sales drop  By Jim Jones in Johannesburg  Anglo-Alpha, one of South Afri- The improvement in demand for	Legal Notices
1.4	Primodal 21 5 4 6 4 8 5 SECTION 63 11 12 12 12 13 13 13 1 18 18	217 63a 6 6 6 1 1 2 1 8 1 8 1 8 1 8 1 8 1 8 1 8 1 8 1	ca's three cement manufacturers, suffered lower cement and crushed stone sales during the first half of the year. However, the first half of the year. However, the first halfs turnover and operating profit increased as a result of cement price increases.  The first halfs turnover rose to R161m (\$61m) from R155m last imperating income before tax and finance outs which started late last year gathering momentum this year and led to sharp improvements in the turnover and profits of Kohler, the South African packaging products which started late last year gathering momentum this year and led to sharp improvements in the turnover and profits of Kohler, the South African packaging products which started late last year gathering momentum this year and led to sharp improvements in the turnover and profits of Kohler, the South African packaging products which started late last year gathering momentum this year and led to sharp improvements in the turnover and profits of Kohler, the South African packaging products which started late last year gathering momentum this year and led to sharp improvements in the turnover and profits of Kohler, the South African packaging products which started late last year gathering momentum this year and led to sharp improvements in the turnover and profits of Kohler, the South African packaging products which started late last year gathering momentum this year and led to sharp improvements in the turnover and profits of Kohler, the South African packaging products which started late last year gathering momentum this year and led to sharp improvements in the turnover and profits of Kohler, the South African packaging products which started late last year gathering momentum this year and led to sharp improvements in the turnover and profits of Kohler, the South African packaging products which started late last year gathering momentum this year and led to sharp improvements in the turnover and profits of Kohler, the South African packaging products which started late last year gathering mom	IN THE MATTER OF STEVIN ROADS MIDDLE EAST LTD ANO IN THE MATTER OF THE CYPRUG COMPANIES LAW CAP 113  NOTICE IS HEREBY CIVEN that the creditors of the scove-named Comoony, which is being voluntarily wound uc. are required, on or before the 31 day of August, 1986; to xand in their full Christian and sumames, their addisease and decresions, full oper- reculiars of thoir debta or claime and the names and addimess of their Solicitors (if erryl, 1b the undersigned Chancery Division) dated 28th July
	RadSys 107 87 86 90 - 1 Silcons 45 11s 111; 111; 111; 111; 111; 111; 111;	8 19½ 19 19 24 19 59 49 19 19 19 19 19 19 19 19 19 19 19 19 19	the interim pre-tax profit dropped to R22.8m from R25.2m. In 1985 turnover was R326m, the operating profit was R80.9m and the pre-tax profit was R44.7m.  The first balf's earnings dropped to 82.9 cents a share from 68.0 cents, and the interim dividend has been maintained unchanged at 22 cents. Last year earnings totalled terms, helped by a recovery in demand from some agricultural sections and restocking by retailers. Mr	Julis Mouse. 3 Thamestocies Dervis  5treet, P.O. 8ox 1612, Hiecosa, Cycrue, the Liquidater of the ead Cemgeny, and if so required by nortice in writino from the said Liauldator, are, person- ally or by their Solicitors, te come in and crows their debts or claims at auch time and place as shall be apecrified in such notice, or in dalault thereof they wril be ascluded from the benefe of any distribution made before such dabts are groved.  Osted this 4th day of August 1986.  HOBSON AUOLEY & CO.  7 Pilgrim Street London EC4V 60R Ref: CLW Solicitors for the above named company
	Relab	143 4 304 4 2415 22% 21 22% - 18	deod of 52 ceots was declared. Anglo-Alpha is 30.9 per cent owned by Holderbank Financiere Glaris, the Swiss holding company. Willis added that the market remained competitive and that there bad been very little improvement in consumer confidence and spending.	Company Notice  COMPAGNIE GENERALE DES ETABLISSEMENTS MICHELIN MICHELIN ET CIE FF 500.000.000  71% CONVERTIBLE BONDS

- 1 - 4 - 8 -12 -40 -12 -33 -11

-10

International

Hicksoo Intl ..... 398

Intl Leisure ...... 113

Laing (J) 416
ML Holdings 390
Mountleigh 980
Natwest Bank 490

TI \_\_\_\_\_ 483

Vickers \_\_\_\_\_ 390 WSL \_\_\_\_\_\_190 Yorkshire Chems \_\_140

FALLS Tr 8% '07 (£25pd) .\_ £23% -£%

-20

-16 - î

-14

-12 -12 -10

Barclays ..... 455

Blue Circle 550 Courtaulds 255 Eng China Clays 320

Evered \_\_\_\_\_\_ 202 GKN \_\_\_\_\_\_ 278

Good Relations..... 88

Hawker Siddeley .. 481

+ 4 +15 + 7 + 7 +70

Chief price changes

LONDON (in pance unless otherwise indicated)

FF 500,000,000 71% CONVERTIBLE BONDS DUE 2000

NOTIGE TO SONDHOLDERS
Further to the nortes gublished by the company in Agril 1986, Michelie is taking steps to procoed in the near luture to the announced distribution of a bonue '9 shers lor 0ight 'A' or '9' sherse. As a consequence, the right to convert the above mentioned bonds will be susganded from August 25 through September 29 lectusively.

BANQUE NATIONALE DE PARIS

US\$400,000,000 Floating Rate

Notes 1984 due 1995

The rate of interest spolicable to the interest speried from August 6 1986 to February 6 1987 as determined by the Reference Agent is 611<sub>th</sub> ger cant per ennum nemaly USS341.80595 per bood of US\$10,000.

9.30 P. 3.11 P. 3.12 P. 3.13 P. 3.15 P 的时候是一个时间的时候,我们就是这种的时间的时候就是一个时间的时候,我们就是一个时间的时候,我们也是一个时间的时候,我们是一个时间的时候,我们们是一个时间的时候,我们

### NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Orige Dose Press.
Court Green Clean Quote 513, 4612 39 4518 3219 5052 9712 1614 242, 3214 169 218 3518 | State | Stat Stock usv. Tub. E FMIOG 1 22e 19 3 FrysMc1 699 97 21 F42RP n F43RP n F 5 0.502 5.01; 6 481; 6 481; 6 183 48 1 1 232; 4 300 501; 6 181; 6 791 263 374 316 1987 2 171 G 1121 38 613 9 orseC 1 90
Borse ptf.
Bortlean 10
Bordens 1 12
Bordens 1 12
Bordens 1 2
Bord GAFF 8 10 47

GAFF 8 12 48

GAFF 8 12 12 18

GAFF 8 10 10

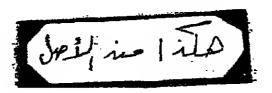
GAFF 8 10 10

GAFF 8 10 10

GAFF 8 10 10

GAFF 9 10 10

GAFF น้อยชั้นกราย ก็รัฐก็เห็น ก็หราย จังกับกับสังหารก็จังกราย ก็รัฐกราย ก็รัฐกราย ก็รัฐก็จังกราย ก็รัฐกราย ก็รัฐกรรม 455 1 451-39 (12-5) (1 | Section | Sect 7517778 155177778 155177778 155177778 155177778 155177778 155177778 15517778 1551788 1551788 LAC n 3
LN H8 54e
LLE F961e
LLCCp
vLTV pt
LTV pt
Larias 1 90
Laftra pt 24
Lamant 25
Lamant 25 EGG 52 EGK 1.66 ERC E Syst 50 EsgleP1 04 EastAir pt EAL WIO EAIr ptC BastGF1 30 EastG12, 14 Eaton 1.80 Eaton pf 10 Echilla 50 EdCmp 18 Eation | 1.80 | 24 | 10 | 6634 | Eation | 1.80 | 34 | 10 | 6634 | Eation | 50 | 36 | 311 | 1634 | 56458 | 180 | 42 | 17 | 48 | 381 | 561 | 180 | 561 | 56458 | 180 | 42 | 17 | 48 | 381 | 561 | 56458 | 180 | 562 | 562 | 563 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 | 565 ODECO35
ODECO3 501893 0 2558 6 2557 2 PERSON OF THE STATE OF THE STAT | Column | C 147 (158) 127 (1 



NYSE COMPOSITE CLOSING PRICES	AMEX COMPOSITE CLOSING PRICES
500g 3512 ShollT 2.90e 56 10 5115 697g 469g 469g 469g 469g 10 5 USX pt10 75 11 73 9614 6941 9517 11 11 11 11 11 11 11 11 11 11 11 11 1	Burf85
den halben Wert.  Damit Sie Ihre Financial Times noch vor Geschäftsbeginn erhalten, haben wir unseren Botendienst in Ihrer Stadt weiter verbessert.  Einzelheiten erfahren Sie von Financial Times in Frankfurt.  Abteilung an.  Telefon: 069/7598-0  The Financial Times  (Europe) Ltd.  Guiollettstraße 54  6000 Frankfurt/Main 1	Cashier Str. 102 1282 244; 243 243 243 243 243 243 243 243 243 243



### FINANCIAL TIMES WORLD STOCK MARKETS

WALL STREET

### Attention on transport, blue chips

CONCERN over the Treasury refunding operation resurfaced on Wall Street yesterday as a rally in the stock market ran out of steam in late trading, writes Paul Hannon in New York.

Strong gains were registered among blue chips and transport stocks, but the Dow Jones industrial average, which had shown an early rise of nearly 13 points, finished only 6.75 higher at 1,766.28 in volume of 122m shares. The transportation average scored a more impressive 7.37 advance to 716.75.

The bond market was transfixed by the final tranche of the refunding operation, with key issues oscillating with gains and losses of up to 1/2 point. The average yield on the Treasury's reopened 30-year bond issue was set at 7.63 per

Among blue chips IBM moved ex-dividend and jumped \$1 to \$131 while Exxon, also ex-dividend, lost \$\% at \$62\%. American Can scored a \$3 gain to \$85%, and McDonald's, which has lost beavily in recent sessions, regained \$1% to \$62.

Owens Corning Fiberglas gained a further S21 to \$77 in response to the unsolicited bid from Wickes, the building products group, which slipped S¼ to \$5½

> **Paris** CAC General Dec 31, 1982 • 100

Frankfurt

Commerzbank Dec 1,1953-100

STOCK MARKET INDICES

716.75

204.38

757.6

832.21

194.3

9.58

1,786.28 1,776.29 1,325.04

708.88

203.45

236.91

1,540.4

764.23

839.28

193.3

17,422,36 17,353,48 12,421,1

1,426.40 1,417.84 1,005.33

9.54

678.49

153.11

1,286.6

620.07

678.14

338.3

10.27

FFr

Liga

400 300

1500

1000

**NEW YORK** 

LONDON

FT-SE 100

FT-A 500

Tokyo SE

TOKYO

FT-A All-share

FT Gold mines

FT-A Long gift

MS Capital Int'l

Silver (Spot fixing)

Copper (cash)

Coffee (Sept)

Paris (fixing)

New York (Dec)

Oil (Brent blend)

329.7

COMMODITIES

GOLD (per ounce)

330.2

Aug 7 350.50p

£1,741.50 £1,703.00

€878.50

\$13.50

August 7 \$362.50

5361.75

9362.07

\$369.30

216.2

349.450

€881.00

\$13.05

\$361.00

S362.55

\$362.36

\$361.15

DJ Industrials

S&P Composite

in trading on the American Stock Ex-

BankAmerica advanced \$1/4 to \$131/2 on its denials of an impending takeover. The oil sector was mixed in the wake of the Opec accord on production. Mohil

was one of the most active oil issues with its \$\% drop to \$32\% while Chevron closed up \$\% at \$40\%. Texaco managed modest progress with its \$\% rise to \$30%. and Pennzoil added \$\% to \$53\%. Other features included the Standard Oil gain of \$1% to \$44% on further specu-

lation that it was preparing a bid for Transco, the gas pipeline group, which added a further \$1 to \$45.

Panhandle Eastern, the natural gas pipeline operator, was actively traded \$% higher to \$42.

Petro-Lewis, the troubled oil group, slipped \$\% to \$\% after announcing that it might face bankruptcy if the proposed Freeport McMoran takeover is not completed. Freeport firmed \$\% to \$17\%.

Halliburton, the oil services and plant engineer, closed unchanged at \$18% despite its buge second-quarter loss.

A firmer airline sector, which belped boost the Dow transportation average. included gains for UAL, the largest domestic carrier, up \$\% to \$50\%, while TWA FIRMED \$\% at \$16\%, and Eastern Air Lines, added \$1/4 to \$81/4. Pan Am beld steady at \$5%.

Steels turned mixed as USX, the largest steel producer, dropped \$½ to \$17% as prospects of a settlement to the strike diminished. Inland scored a \$1% jump to \$18% while Bethlebem Steel picked up \$% to \$8%. LTV, which announced that it was mothballing a fourth steel mill, re-

71900

1850

1800

1750

7700

1400

1350

-11300

1250

1200

3.0800

228.25

10.010

2,116.5

2.0450

91% 4% 41% 7%

8%

6½ 6½ 6.375 5.87

7.334

Day's change

+0.01

20.00 ±

+0.00

+0.00

+0.06

90 9.10

96-02 96-10 95-15 96-07

94.41 94.37 94.40

93.53 93.49 93.54

119-24 119-30 119-15 120-06

7.07

6.68 7.24

8.29

100% 6.59

2.48

STERLING

Aug 7 Previous

1,4765 1,4795

3.0525

227.00

9.9075

2.46

3,44

2.099

63.10

2.0390

10%s 4'%s

41%s 7%

FT-Ordinary Share Index

**US DOLLAR** 

Aug 7

153.75

6.7100

1.6660

2.3290

1,421.5

1.3810

3-month offered rate)

8% 32nds of 100%

\$1m points of 100%

S1m points of 100%

\$1m points of 100%

20-year National Gilt

£50,000 32nds of 100%

" Lajest aveilable figures

Sept

Sept

LONDON

US Treesury Bills (IMM)

94.39

93.53

of Deposit (IMM)

**Previous** 

2.0815

154.35 6.7650

1.6770

1,430.5

43.00

1.3820

INTEREST RATES

versed an early fall of \$% to trade 5% higher at \$2%.

General Motors led the Detroit motor stocks higher with its \$\% gain to \$71\% followed closely by Ford with a \$\% advance to \$54%. Chrysler, at \$37%, was 5% ahead, and American Motors at \$2% was

Banks were generally weak, with Chase Manhattan \$% off at \$39% and Citicorp dropping \$% to \$53%.

The stores sector released broadly higher sales figures for July, and Sears managed one of the best gains with its \$% rise to \$42% while Dayton Hudson gave up an early \$1/4 to trade unchanged

Hersbey Foods, the chocolate-to-restaurant group, added a further \$3% to \$63%, a gain of \$7% so far this week.

The bond market staged a late afternoon rally ahead of the final refunding operation by the Treasury. The key long bond, the 7¼ per cent due 2016, reversed early losses of % point to gain 15 at 961% to yield 7.53 per cent. The 7% due in 1996 traded at 991% to yield 7.42 per cent. Federal funds opened at 64 but later shifted to 6% per cent.

Rates on Treasury bills turned mixed in the afternoon, with the three-month hill one basis point higher at 5.74 per cent and the six-month bill one basis point up at 5.80 per cent. The one-year bill, unchanged in early trading, lost one basis point to 5.85 per cent.

TOKYO

### **Boost from** telephone connection

STRONG DEMAND for issues closely connected with Nippon Telegraph and Telephone (NIT), which is scheduled to place its sbares with the public in the autumn, took Tokyo ahead, writes Shi-

geo Nishiwaki of Jiji Press.
The NTT-related stocks finding favour were beavy industries, wire and cable and telecommunications equipment issues. The steel, shipbuilding, construction and real estate issues that bad led the market until last July were out of fa-

The Nikkel stock average rose 119 points at one stage early in the afternoon session but closed 68.88 points up at 17,422,36 as the earlier surge was trimmed. Volume swelled unexpectedly to 878m shares from Wednesday's 693m. Losses outnumbered gains by 453 to 392, which 116 issues unchanged.

Large trading companies which are emerging as strong rivals to NTT as a result of the deregulation of communication business have also gained popularity among investors.

Prominent among the NTT-related issues were Toshiba and Mitsubishi Electric. Toshiba, the most actively traded stock of the day on 113m shares, gained Y27 to Y557. Mitsubishi Electric, ranked third with 60.47m shares, put on Y10 to Y464, Hitachi climbed Y26 to Y860.

Mitsubishi Rayon, a major optical fibre maker, rose Y41 to Y478. Nippon Sheet Glass added Y52 to Y600.

In the wire and cable sector, Fujikura advanced Y46 to Y790 and Furukawa Electric Y35 to Y576.

Riding high on the NTT-related enthusiasm, Mitsuboshi Belting gained Y290 to Y3,640, Iwatsu Electric Y120 to Y1,390 and Fujitsu Y37 to Y900.

Among the large trading bouses seek-ing to expand into the field of telecommunications, Mitsui, ranked second on the active list with 63m shares, gained Y35 to Y575. C. Itob rose Y42 to Y751, and Mitsubishi Corp climbed Y21 to Y953. Large-capital issues, such as steels

and shipbuildings, and domestic de-mand-oriented shares in construction, real estate, electric railways, electric power and gas lost ground on a wide front. Exceptionally, Mitsubishi Heavy Industries firmed Y17 to Y509.

The bond market strengthened as buying interest was stirred by the yen's rebound against the dollar and a levelling-off of the sharply increased crude

Aggressive buying by large securities houses sent the yield on the beliwether 6.2 per cent government bonds due in July 1995 down to 4.870 per cent from Wednesday's 4.710 per cent. Yields on bonds of similar maturities also dipped. Institutional investors stayed on the sidelines, awaiting US bond price developments after the auction of 30-year government bonds.

### SINGAPORE

A HESITANT MOOD prevailed in Singapore as investors awaited a speech by Prime Minister Lee Kuan Yew today the eve of the country's independence day celebrations.

The Straits Times industrial index fell 1.31 to 763.46 on volume that dropped to 9.8m sbares from Wednesday's 17.3m.

Some brokers expressed surprise that the market failed to react to a US embassy report forecasting that Singapore's economy could achieve growth of 3 to 5 per cent next year after a possible 1 per cent contraction this year.

Among actively traded issues, Cold Storage put on 2 cents to \$\$3.52, Haw Par 4 cents to S\$2.99 and DBS 5 cents to S\$7.10. Other gains were registered by Metro Holdings, up 9 cents to S\$3.06, and Fraser and Neave, 5 cents ahead at

In the other direction, UOB shed 10 cents to S\$3.90, National Iron 8 cents to S\$4 and Singapore Airlines 5 cents to S\$7.40.

**EUROPE** 

### Renewed hopes of lower rates

THE SOLE UNIFYING factor among the European bourses yesterday was the renewed expectations of lower interest rates. This buoyed some sessions while domestic factors in other bourses injected a lower note.

Milan rose sharply after a rally on hopes that the official discount rate would be cut and on expectations of pos-

itive first-half results. The market index advanced by about 1.9 per cent, and most activity was seen in companies of the Montedison group after rumours of a merger.

Montedison rose L150 to L3,530, Mediobanca advanced L5,100 to L72,800, Generali Insurance ended L3,450 higher at L144,500 and Iniziativa, a holding com-pany of the Montedison group, rallied to L27,000, up L1,050.

Stores group La Rinascente was one of the few issues to move against the trend, dropping L12 to L1,140.

Brussels continued its higher tone on optimism that a recent debt refinancing pact between the Government and Bel-gian banks could lead to lower interest

rates.
Some profit-taking broke out among issues which bad recorded strong gains in the record sessions earlier this week, Nervousness over the impact of the Opec accord detracted from oil issues, which bad also performed well on Tuesday and Wednesday.

Belgium's largest oil company, Petro-fina, slipped BFr 50 to BFr 6,840, and Cometra also fell, ending BFr 70 lower at BFr 2,630.

Utilities were mixed after Wednesday's healthy performance, and the largest in the sector, Intercom, ended steady at BFr 3,930, and Ebes rose BFr 40 to BFr 4,760 while Unerg lost BFr 30 to BFr

Frankfort turned higher after a flurry of buying late in the session. Thus, the Commerzbank index, which is recorded at midsession, failed to register the spree and ended 6 down at 1,688.0.

Investors brushed aside the lower dollar and concentrated instead on optimistic opinions about the domestic economy, such as strong GNP growth, and low inflation.

Banks, cars and retailers scored the most impressive gains. Karstadt jumped DM 20 to DM 409.50, Horten rose DM 8 to DM 214 and Kaufhof DM 5 to DM 490. Deutsche Bank added DM 9.50 to DM 803, Dresdner DM 4 to DM 421, Daimler

DM 486. Bonds were mixed with gains and losses of between 20 basis points. The Bundesbank sold DM 97.6m worth of do-

DM 12 to DM 1,178 and BMW DM 10 to

mestic paper after selling DM 24.9m in the previous session.

Stockholm advanced as domestic in-

terest rates slipped and oil prices began to stabilise. Volvo was one of the most active issues, rising SKr 4 to SKr 394. Electrolux was steady at SKr 299, and Asea was also unchanged at SKr 375.

Amsterdam was subdued by the weaker dollar, and most issues eased.

### Royal Dutch shed Fl 1.90 to Fl 189.60 after publishing second-quarter figures much in line with expectations. Unilever dropped Fl 2.50 to Fl 495.50, and Akzo eased Fl 1.40 to Fl 159.80 on meagre figures but Philips rose Fl 1.30 to Fl 48.80 on heave of higher fact half profits on hopes of higher first-half profits. Zurich was buoyed by general opti-mism over the projected inflation rate

and the prospect of lower interest rates. Prices ended mostly steady after an active day of trading.

Consumer stocks found demand among the smaller institutions and indi-

vidual investors. Jacohs Suchard bearer jumped SFr 210 to SFr 8,000, and Nestle added SFr 100 to SFr 7,650.

Swissair, the most heavily traded issue, slipped SFr 25 to SFr 1,215 while retailer Jelmoli dropped SFr 20 to SFr

Bonds ended slightly firmer as the turnover increased.

Paris faded throughout the session, discouraged by the weaker dollar and faster pace of French government bor-

rowing. Société Générale de Fonderie, which has experienced a series of declines over the past month, continued its downward

spiral shedding 13.1 per cent of its value Oslo was dominated by oil price and production uncertainty, and prices dipped moderately throughout the ses-

sion.

Madrid was led lower by a retreat in the utility sector.

### LONDON

THE GLOOM deepened in London yesterday where buyers were almost nonexistent and share prices dived.

Unpalatable results from engineering groups GKN and TI Group left them 14p cheaper at 276p and 33p down at 463p, respectively, while profits which failed to match expectations from Barclays left the banking giant 20p lower at 455o. Later in the session more encouraging

reports from BOC, up 6p at 315p, failed to restore confidence, and the FT Ordinary share index ended down 12.2, after a fall of 22.8, at 1,221.5, while the FT-SE 100 lost 10.5 to 1,529.0. Gilts started lower and fell even fur-

ther. Longs eventually ended 1/2 down while later in the session some shorts and index-linked stocks registered gains stretching to one point.

Chief price changes, Page 25; Details, Page 24; Share information service, Pages 22-23.

### **AUSTRALIA**

STRONG DEMAND for leading industrial and gold issues offset a generally weaker resources sector and allowed Sydney to continue its advance.

The All Ordinaries index added 10.9 to 1,150.5 in brisk trading, taking the rise since Monday to 30 points.

Blue-chip industrials were belped by the steadier dollar while development, insurance and media stocks were also in

demand. Lease Lend and Brambles each rose 30 cents to A\$8.60 and A\$8.50, respectively. News Corp put on A\$1.80 to A\$23, Fairfax 7 cents to A\$4.72 and Herald and

Weekly Times 2 cents to A\$6.10. Overseas demand supported banks, but oil issues eased back amid profit**HONG KONG** 

### Peak hit on **US** textile bill failure

THE FAILURE of the US House of Representatives to revive a restrictive textile import bill provided a spur to Hong Kong trading that took shares to an all-

time high.

The Hang Seng index rose 32.35 to 1,920.16, surpassing the previous high of 1,906.28 set on Monday amid heavy demand from overseas institutions and local investors.

The so-called Jenkins bill could have cut Hong Kong's textile exports to the

The Taiwan stock exchange also benefited from the demise of the Jenkins bill. The weighted index rose 10.18 to 889.73, recovering some of the 34.84 points it had lost in the first three sessions of the

US - which amounted to \$3.2bn last year

 by up to 30 per cent.
 Winsor Industrial, the only large textile maker listed on the exchange, rose 20 cents to HK\$8.20.

The property sector was also buoved by speculation of a cut in local interest rates, perhaps as early as this weekend.

Cheung Kong rose 60 cents to HK\$24, Sun Hung Kai Properties 40 cents to HK\$14.40 and New World Development 10 cents to HK\$6.55. Hongkong Land put on 15 cents to HK\$8.40 and Hongkong Wharf rose 10 cents to HK\$7.75.

Leading industrial and trading companies were led forward by a sharp HK\$1.25 rise to HK\$33 for Hutchison Whampoa.

The banking sector showed only modest strength. Bank of East Asia rose 10 cents to HK\$18.70, Hang Seng Bank 25 cents to HK\$35.25 and its majority owner, Hongkong and Shanghai Banking, 5 cents to HK\$7.05.

### SOUTH AFRICA

AFTER RECORDING the largest oneday rise, Johannesburg yesterday saw golds turn higher as the financial rand continued at record lows and the bullion price held firm.

Randfontein added R12 to R354, Buffels gained R2.50 to R88.50, Driefontein advanced R1.50 to R58.50 and Bracken rose 35 cents to R7.40.

Some issues did fall back, however. Nedbank dropped 2 cents to R5.68, Sage Holdings lost 20 cents to R10 and Anglo American Coal shed R1.75 to R29.

### CANADA

A RALLY continued in Toronto despite weakness in the oil sector.

Cadillac Fairview traded CS% higher at C\$32 after news the previous day that Cadillac would solicit takeover offers. Hiram Walker was steady at C\$37% while Gulf Canada, which bolds a controlling stake in the drinks group, firmed C5% to C514%.

Montreal also improved. add der com

**克斯斯 化二苯乙酰基基酚** 

expes in on!

This announcement appears as a maner of record only



Lire 100,000,000,000

"Stand-by" facility.

Arranged by



Provided by

Cassa di Risparmio di Roma Istituto Bancario San Paolo di Torino

Cassa di Risparmio di Torino

Banca Commerciale Italiana Banca Nazionale dell'Agricoltura Banca Nazionale del Lavoro Banco di Roma Credito Italiano Banca Nazionale delle Comunicazioni Banco di Napoli Cassa di Risparmio di Ascoli Piceno Cassa di Risparmio di Firenze Cassa di Risparmio di Tortona Istituto di Credito delle Casse Rurali ed Artigiane Banca Cattolica del Veneto Monte dei Paschi di Siena Nuovo Banco Ambrosiano Banca di Marino



July 1986.

**AUSTRALIA** FFr don Interi All Ord. 1,139.8 (offered rate) 527.7 518.2 Metals & Mins 3-month US\$ 6-month US\$ AUSTRIA Credit Aktier 234.05 233.91 180.61 US Fed Funds BELGIUM 3,773.52 3,769.70 2,303.13 US BONDS CANADA Toronto Metals & Minis Yeld 6.59 100% Montreal 1993 7.316 991%2 1.500.01 1,478.91 135.31 Portfalio 7.455 2016 961% 7.556 961%2 203.90 216.21 Source: Harris Trust Savings Bank FRANCE CAC Gen 376.80 215.5 Ind. Tendance 79.8 Maturity [years] WEST GERMANY -0.17FAZ-Aktien 628.49 474.75 146.62 +0.03 1,888.00 1,894.00 1,397.6 138 04 +0.02 HONG KONG 148.95 +0.021,920.18 1,887.83 1,698.66 176.74 Hang Seng -0.89 Source: Merrill Lynch ITALY Sanca Comm 736.04 365.61 Corporate Yleid NETKERLANDS AT & T ANP-CBS Gen 3% July 1990 288.30 ANP-CBS Ind 187.1 NORWAY 10% Jan 1993 106% Oslo SE 337.59 338.35 341,54 Phibro-Sal 8 April 1996 SINGAPORE ™W Straits Times 764.77 757.60 8% March 1996 SOUTH AFRICA 9% March 2016 JSE Industrials General Motors 8% April 2016 SPAIN Citicorp 9% March 201a Madrid SE 183.10 185.49 81.58 SWEDEN Source Salomon Brothers 2,526.74 2,506.41 1,365.45 FINANCIAL FUTURES SWITZERLAND Swiss Bank Ind 506.10 504.20 453.2 WORLD Aug 6 Year ago